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CHILEAN, BOLIVIAN MINISTERS MEET IN SANTO DOMINGO

PA0802006 Hamburg DPA in Spanish 2247 GMT 7 Feb 85

[Text] Santo Domingo, 7 Feb (DPA) -- The foreign ministers of Bolivia and Chile, Edgar Camacho Omiste and Jaime del Valle, respectively, held a 3-hour long meeting in the Dominican Republic in an attempt at rapprochement promoted by the Colombian Government. The meeting took place last night in the Colombian Embassy in Santo Domingo and was attended by Colombian Foreign Minister Augusto Ramirez Ocampo, whose government is trying to mediate between the two countries which broke off diplomatic ties in March 1978. Ramirez Ocampo said that at the meeting, which followed the cancellation of a bilateral meeting that was to have taken place in Bogota a few days ago, Bolivia and Chile sought to reach detente. Edgar Camacho Omiste, who has just recently assumed the office of foreign minister, said only that the meeting was "useful," while his Chilean counterpart issued a brief communique stating that his government will resume official contacts with Bolivia when proper and adequate conditions emerge. The Colombian foreign minister said that during the meeting, which lasted until after midnight, Camacho and Del Valle reviewed developments prior to the failed Bogota meeting. Bolivia and Chile [words indistinct] its coasts on the Pacific Ocean.

DEL VALLE: FOREIGN DEBT PAYMENTS UP TO DATE

PY071820 Santiago Domestic Service in Spanish 1630 GMT 7 Feb 85

[Text] Chile is up to date in paying its foreign debt interests, which have been paid normally. Chile expects that the Cartagena Consensus will start a dialogue with the creditor countries in order to obtain reasonable terms of payment. These statements were made by Foreign Minister Jaime del Valle in the Dominican Republic, according to news agency reports. The Chilean minister added that unless such a dialogue takes place, the underdeveloped countries will be condemned to incur more debts each day. Del Valle assessed the process which was initiated with the creation of the group of Latin American debtors, and stressed that since then better conditions for a reasonable payment of the debt have been stipulated. The pressure of our meetings, he explained, has led to countries such as Argentina and Brazil negotiating their debts under more favorable terms. The minister concluded by saying that the Chilean foreign debt is now about $18 billion.

PERU'S PERCOVICH ON SHINING PATH, DEBT WITH USSR

PY082117 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1710 GMT 8 Feb 85

[Excerpt] Santo Domingo, 8 Feb (NA) -- Peruvian Prime Minister Luis Percovich denied here today the existence of "a direct relationship" between the Shining Path guerrilla group and the IMF adjustment program and attributed the existence of the extremist group to "ideological and political differences." During an interview granted to NOTICIAS ARGENTINAS, Percovich announced that in the next few weeks Peru will acquire "a sizable quantity of wheat" from Argentina and explained an agreement with the Soviet Union by which Peru pays for the purchase of Soviet arms with fish meal, minerals, and nontraditional goods instead of currency. Minister Percovich announced that "an important agreement with Argentina for the purchase of wheat" had been signed but did not give anu further details.

Percovich described as "magnificent" the relationship between Lima and Buenos Aires and advocated an increase in trade between the two countries. Regarding the Peruvian debt with the Soviet Union for the purchase of arms, the minister explained that "the arms were acquired during the military regime," adding that "we have reached an agreement to pay the debt this year with Peruvian exports." The minister added that "last year we paid the Soviet Union $40 million with minerals, fish meal, and even nontraditional goods." He pointed out that "for this year we have signed an agreement to pay them $180 million in the same way."

VENEZUELAN MINISTER DISCUSSES DEBT NEGOTIATIONS

FL090018 Mexico City NOTIMEX in Spanish 2010 GMT 8 Feb 85

[Text] Santo Domingo, 8 Feb (NOTIMEX) -- Manuel Perez Guerrero, Venezuela's minister and adviser to the presidency for international economic affairs, categorically denied here that his country, Mexico, Argentina, and Brazil have rebuffed the Cartagena agreements by undertaking negotiations on the foreign debt separately. In a press conference this morning during a break in the deliberations of the ministerial meeting of the Cartagena Consensus, Perez Guerrero attributed such report to speculation by journalists, noting that at no time have these four countries tried to ignore the recommendations of the other nations in the group. No one should play with speculation, he said. The Venezuelan minister rejected the possibility of an immediate significant increase in the sale of Venezuelan oil, at least not as long as the current level of prices remains in effect, because the liquidation of the foreign debt cannot be made at the expense of our people. In addition, he said there is no possibility of broadening the provisions of the San Jose Accord, which Venezuela and Mexico support as a financing mechanism for oil purchases by Caribbean countries. He added that these countries could be subjected to an eventual decrease in supplies if they do not fulfill their commitments.

CARTAGENA CONSENSUS MEETING ISSUES DECLARATION

PA091337 Hamburg DPA in Spanish 0949 GMT 9 Feb 85

["Text" of the declaration of the Santo Domingo meeting of the Cartagena Consensus]

[Text] Santo Domingo, 9 Feb (DPA) -- After 2 days of deliberations, the text of the declaration of the Santo Domingo meeting of the Consensus of Cartagena was approved last night as follows:

1. During the past 6 months, some Latin American countries have drafted programs to restructure their foreign debts with the international financial community. It is necessary that some terms and conditions that have been incorporated in this reorganization be extended to the countries that are in the process of renegotiating their debt and constitute minimal conditions for the new negotiations that are being held in keeping with the observations noted in the Cartagena Consensus.

2. However, this restructuring of the debt is not sufficient as it only postpones the problem, because the negotiation with the commercial banks, in view of their very nature, does not provide an opportunity to broach the broader aspects, such as the joint responsibility of debtors and creditors, balanced proportion of the adjustment, implications for the development of the debtor countries, and evolution of the economy, trade, and international finances that enable a permanent solution to the problem of indebtedness.

3. The persistent application of stringent programs of continuous adjustment signifies in general a drastic reduction of the material standards of living and welfare for large sectors of the Latin American population. In many countries, unemployment has not been curbed and domestic activities have slumped. Social tensions have reached critical levels due to the magnitude and swiftness of the adjustment processes applied. In many cases, future efforts can permit only a return to the levels of production, per capita income, and a standard of living similar to that of 10 years ago.

4. The economic recovery of industrialized countries has not extended to Latin America; on the contrary, in these countries, it has increased the application of protectionist measures and the restriction of trade and financing. The transfer of financial resources has again become negative for the region in an amount estimated at $55 billion in the past few years. Interest rates have dropped recently, but this trend is not consolidated, because in many countries the factors of demand for credit persist and inflationary pressure can produce a new increase in their levels.

II. [No Roman I as received] Political Dialogue

The ministers deem it indispensable to firmly reiterate their conviction that there can be no stable or permanent solution to the problem of foreign indebtedness if the governments of the debtor and creditor countries do not agree on an adequate political framework for all of the overall aspects. Therefore, it is indispensable to overcome certain reservations expressed by some governments to secure a political dialogue. If the dialogue is ignored, the serious risk of instability, not only of financial and economic nature, but also sociopolitical, arises throughout the region. Consistent with these affirmations, they decide on the following course of action:

1) To present in the coming meetings of the interim and development committees of the IMF and International Reconstruction and Development Bank [IRDB] on 17 and 18 April, based on that agreed upon in Santo Domingo, a joint position that will be disseminated and presented to the forums previously mentioned after being communicated to the group of the 24.

2) Subsequent to these meetings, to address the governments of the principal creditor countries to formalize an invitation to a political dialogue.

3) To address jointly the industrialized countries that will participate in the next Bonn summit, advising them of the proposals to face the problem of the foreign debt and their various aspects.

4) To begin as of now to draw the attention of the international public to the magnitude of the problem and the serious consequences that might arise if they fail to act accordingly within an adequate political framework.

5) The content of political dialogue proposed must go beyond the aspects dealing exclusively with the refinancing of the debt and must also cover the aspects contained in the Cartagena Consensus. To this end, the topics to be presented for consideration will be drafted and formulated.

III. Follow-up Action

1. To evaluate these actions and the implementation of others at a new meeting of the Cartagena Consensus, on a date to be set by consultations immediately after the coming April meetings of the interim and development committees of the IMF and IRDB.

2) As of this meeting the interim secretaryship will be exercised by the Republic of Uruguay.

ALFONSIN: NO DECISION MADE ON LEASING FALKLANDS

PY091553 Buenos Aires TELAM in Spanish 1329 GMT 9 Feb 85

[Excerpt] Salta, 9 Feb (TELAM) -- Asked about the possibility of a leasing arrangement for the Malvinas Islands with Great Britain, President Raul Alfonsin replied that the government has made no decision on the matter. The possibility of a leasing arrangement for the archipelago has been brought up by national congressmen of the Radical Civic Union, including Senator Antonio Berhongaray and Deputy Federico Storani. President Alfonsin held, a brief press conference in this city which he visited yesterday, 8 February, to attend the main ceremonies commemorating the bicentennial of the birth of General Guemes.

GOVERNMENT AGREES TO NEW MINIMUM WAGE FOR FEB

PY081755 Buenos Aires BUENOS AIRES HERALD in English 8 Feb 85 p 1

[Text] (NA-DYN) General Confederation of Labour (CGT) Secretary General Ramon Baldassini and Labour Minister Hugo Barrionuevo both announced last night that the government had agreed to a $a24,000 [pesos] minimum wage for February, while business and labour representatives ironed out differences over social benefit funds in the 20-point joint document they will hand over to the government next Tuesday.

At the end of a meeting of the wage subcommittee of the social-economic contract in the Treasury Palace, Baldassini and Barrionuevo announced the 20 percent increase for minimum wage earners (up to $a24,000) and pensioners ($a23,500). They also said that by the end of this month, public employees would earn the same family allowance as workers in private industry. Baldassini said business and government representatives at the talks had promised a definite answer to the CGT's demands today.

The CGT said yesterday it did not accept the 14 percent wage hike set by the government for this month, but would "continue trying to win back the wage lag produced in the final quarter of last year plus January." Salaries suffered a 16 percent loss compared to the rate of inflation in the last quarter of 1984, and February's increase falls 11.1 percent behind January's cost of living index.

The group of the 11 working committee of business and labour representatives met at Argentine Industrial Union (UIA) headquarters until 2 am yesterday and reached full accord on changes to the government-sponsored social accord, called the Olivos Pact, which will be discussed at the political working committee of the tripartite agreement that meets with Interior Minister Antonio Troccoli next Tuesday. They will also hand over the 20-point programme of economic growth jointly hammered out by workers and management. The last hurdle was overcome when both sides redrafted a paragraph covering workers social benefit funds. The new version states that the "government should limit its supervision to guaranteeing that the funds are used efficiently."

FORMER PRESIDENTS, GENERALS SUED OVER 'DIRTY WAR'

PY042135 Buenos Aires BUENOS AIRES HERALD in English 3 Feb 85 p 13

[Text] (NA-DYN) Secret Army documents with precise orders on the operation of the "dirty war" anti-subversion campaign have been submitted to a federal court in connection with the disappearance of 59 Army conscripts. Details of the information contained in the documents were made known yesterday by the Centre for Legal and Social Studies (CELS). The centre reported that the entire dossier relating to the missing soldiers had been handed on Friday to Federal Judge Miguel del Castillo.

The dossier includes more than 70 photocopies and documents signed by former Presidents Jorge Videla and Roberto Viola, as well as Generals Luciano Jauregui, Jose Montes, and Colonel Angel Barbieri. The file contains texts, maps, organization diagrams and details of how reports had to be made by the various units participating in the anti-subversion operations. Where communications were involved, these include details of radio frequencies and even the codes of numerous military units. A letter attached to the documents submitted to the judge stressed that they clearly prove the institutional nature of repression in Argentina and the responsibility of the Armed Forces for the political and criminal effects of its policy. CELS contended that the documents do not require a detailed examination to determine the manner in which the military violated all human rights.

Lawyer Marcelo Parrilli, who submitted the documents to the judge, said the Armed Forces used all their resources and those of the state to carry out a "State terrorism" campaign. He maintained that the 59 missing soldiers were kidnapped by the military while undergoing their military service.

The lawyer also included in the dossier a map drawn up by the leaders of the anti-subversion operation showing the manner in which the various military districts had been sub-divided into zones, sub-zones, areas and sub-areas. The map demonstrates how an operational zone had been divided between the army and the navy. This bore the name Delta and included the north-east sector of the federal capital, the province of Buenos Aires and the south of Entre Rios.

ARMY COMMANDER RULES OUT NEW GUERRILLA ACTIVITY

PY101905 Buenos Aires BUENOS AIRES HERALD in English 10 Feb 85 p 13

[Text] San Miguel de Tucuman (NA-DYN) -- San Miguel de Tucuman Army Commander General Ricardo Pianta denied yesterday any possibility of renewed guerrilla insurgence in Argentina and said any stories to that effect "have no basis whatsoever," because "it's not the least bit on anyone's mind and wouldn't solve anything." Pianta was on hand, together with Third Army Commander General Hector Luis Rios Ereno and Fifth Army Brigade Commander General Enrique Bonifacino, to mark the 10th anniversary of the commencement of "Operation Independence" waged against left-wing subversion in this province.

"We have come to commemorate a moment when the Army took up arms," Pianta said, "and especially to pay tribute to our fallen dead, military and civilians alike, who gave their lives in this campaign." Bonifacino, the key speaker at the ceremonies, said the "sacrifice" made in "Operation Independence" "was not in vain," and thanks to the victory won "today we have peace and the nightmare of political, labour and business leaders blackmailed by terror is but a bad memory."

Thirty kilometres to the south, human rights organizations gathered in the town of Famailla to condemn what they said was the first concentration camp in the country, in the Diego de Rojas school.

CIED TO RATIFY REPORT ON SUBVERSION OUTBREAK

PY081805 Buenos Aires BUENOS AIRES HERALD in English 8 Feb 85 p 7

[Text] (NA-DYN) The Centre for Defence Research and Studies (CIED) will ratify before the Interior Ministry today its allegations of a new outbreak of subversion, it announced last night. The CIED claimed its report was not meant to be destabilizing. CIED Director Carlos Compte said the full report, which was summarized last week in the periodical LA LEY, will be delivered to Interior Undersecretary Raul Galvan after ministry asked CIED to either ratify or rectify the report.

Compte said the report itself was not destabilizing "but what is destabilizing is the possibility of a new subversive outbreak, of which there can be no doubt." The article, published under the byline of CIED chairman Diego Estrada Martinez, mentioned a possible link between the self-styled People's Revolutionary Army (ERP), the Montoneros guerrillas and the Peruvian Sendero Luminoso [Shining Path] guerrilla group. The article brought a reply from jailed Montonero leader Mario Firmenich who described it as a "self-justifying excuse of oligarchic terrorism for coup purposes." Members of the Permanent Assembly for Human Rights (APDH) yesterday joined the traditional Thursday march of the Mothers of Plaza de Mayo in front of Government House, to express their rejection to the report. The CIED report was also criticized by government officials, political parties and other human rights organizations.

JUSTICIALIST RENEWAL NAMES NATIONAL COUNCIL

PY071110 Buenos Aires TELAM in Spanish 2114 GMT 6 Feb 85

[Text] Buenos Aires, 6 Feb (TELAM) -- Taxi drivers union leader Roberto Garcia, of the Group of 25, has been designated second vice president of the National Council of the Justicialist Party, renewal sector, a sector that emerged last weekend in Rio Hondo. The designation took place during a meeting of the Work and Action [Gestion y Trabajo] Group, held at the Trade Union of Mechanics and Related Automotive Transportation Workers [SMATA] headquarters. In addition, textile workers union leader Delfor Gimenez has been designated secretary for trade union affairs of the new council. The four members of the council are: Roberto Navarro (SMATA -- Group of 25), Roberto Digon (tobacco workers -- Group of 25), Ruben Pereyra (sanitation workers -- Work and Action Group), and Norberto Chibando (telegraph workers -- Work and Action Group).

RAILROAD EQUIPMENT READY FOR SHIPMENT TO CUBA

PY052005 Buenos Aires DYN in Spanish 1205 GMT 5 Feb 85

[Text] Cordoba, 5 Feb (DYN) -- More than 600 tons of railroad equipment made here for Cuba have already been shipped to Buenos Aires for shipment on to Cuba. The materials were made by Forja Argentina and their sale is part of an agreement for supplying rolling stock for Cuban railroads worth approximately $380,000. An agreement is also under study for selling Cuba a new order of axels, assembled wheels, and individual wheels for Cuban railroads woth $2 million. This commercial operation, which benefits the products from Cordoba made by Forja, a company under the jurisdiction of the National Defense Ministry, was made within the framework of a $600-million credit granted by Argentina to the Cuban government in 1984. There are plans to supply 3,000 wheels and other assembled stocks for Cuban railroads this year.

1984-85 WHEAT PRODUCTION TOTALS 13.5 MILLION TONS

PY061611 Buenos Aires BUENOS AIRES HERALD in English 6 Feb 85 p 3

[Excerpt] (NA) -- Argentina's wheat production for 1984-85 amounts to 13.5 million tons, one of the highest figures in recent years, according to estimates made public by the Grain Exchange which also reported a 14.5 [denotation not given] drop in linseed production as compared to production in the previous season.

GOVERNMENT DEVALUES PESO, RAISES STAPLE PRICES

PY091440 La Paz Cadena Panamericana in Spanish 1130 GMT 9 Feb 85

[Excerpts] Today's news has caused concern among all citizens. At 0600 this morning, Information Minister Mario Rueda Pena announced to the population a new set of economic measures aimed at regulating the national economy. The economic measures provide for an adjustment of the dollar exchange rate to 45,000 Bolivian pesos, and an increase of staple prices with prices fixed by the government. The adjustments, contained in various government decrees, modify the salaries of workers and the price of staples, and also affect taxes. They were read by Information Minister Mario Rueda Pena:

[Begin recording] As the planning minister has said, the new exchange rate of the dollar, effective as of today, is 45,000 Bolivian pesos per U.S. dollar.

For housewives we will now announce the new prices for staple food articles which have been fixed within the framework of the measures agreed upon by the democratic government in today's cabinet meeting. These are the prices now in effect in La Paz: sugar: 828,000 pesos per quintal; cooking oil: 70,000 pesos per liter; pasteurized milk: 15,000 pesos per liter; rice: 525,000 pesos per quintal; coffee: 86,000 pesos per kilogram; beef: 120,000 pesos per kilogram; chicken: 115,000 pesos per kilogram; eggs: 4,400 pesos per unit; bread: 1,500 pesos per unit; flour: 600,000 pesos per quintal.

According to Government Decree No 20,173, as of 1 February 1985 a permanent compensation bonus is established for all workers in both the public and private sectors. The amount of the bonus is fixed at 3.1 million Bolivian pesos per month. This bonus will be paid in addition to monthly salaries and should not be taken into account when computing social benefits or yearly bonuses, and it is not taxable.

The new hydrocarbons prices which will be in effect nationally are as follows: gasoline: 11,500 pesos per liter; kerosene: for bakeries 4,000, for domestic use 5,000 pesos per liter; diesel oil: 15,500 pesos per liter; fuel oil: 15,000 pesos per liter; liquid petroleum gas: domestic use: 2,000 pesos per kilogram; for vehicle fuel: 12,000 pesos per liter; industrial use: 9,000 pesos per kilogram. [end recording]

COB Declares State of Emergency

PY092316 Buenos Aires TELAM in Spanish 2134 GMT 9 Feb 85

[Text] La Paz, 9 Feb (TELAM) -- The Bolivian Labor Federation (COB) at noon today declared a state of emergency and general mobilization of workers. At a national meeting on 11 February the COB will decide the measures to be adopted in response to the new economic measures approved by the government early today.

The top COB leaders held an emergency meeting this morning after learning of the new government measures which increased the price of food and services by 500 percent and the official exchange rate jumped from 9,000 to 45,000 Bolivian pesos per dollar. Although the COB leaders admitted that they are not familiar with all the government measures, their first reaction was to label as barbaric and savage the measures increasing the prices of fuels, food, electricity, transportation, and telephone service.

The COB Executive Committee also declared itself in permanent session until the national emergency meeting is held, during which COB leaders from all over the country will decide on the actions to be taken in opposition to the economic measures. A general strike cannot be discarded.

ARMY CLEARS AWAY LA PAZ PEASANT BLOCKADES

PY091625 Buenos Aires TELAM in Spanish 0242 GMT 9 Feb 85

[Excerpt] La Paz, 8 Feb (TELAM-REUTER-ANSA) -- The government of President Hernan Siles Zuazo has asked the Army to clear away the road and railway blockades imposed by the La Paz peasants. This order, which has already been carried out, provoked peasant union leaders to warn the government and blame it for any encounters between civilians and the military. The government decided to ask the Army to intervene when a section of the Cochabamba-Oruro railway line was blown up on 7 February. The Army immediately responded to the government's request and that night it cleared the blockade on the La Paz-Arica railway.

Peasant confederation leader Simon Yampara, a former Campesino Affairs Minister in Siles' administration, today warned the government and said that during the military operation the soldiers had intimidated the peasants by shooting into the air. Yampara expressed his concern over the possibility of any group of peasant civilians confronting the military, which could result in a unpredictable situation. If any such situation does take place, it will be the government's responsibility, he said. The government's decision is worrisome, Yampara added, because the actions of any extremist may create bloody incidents. The blockade is peaceful and is based on fair demands he said. In conclusion Yampara said that the forciful measures are being carried out on all the roads and railways that lead to La Paz within a radius of 150 km from the city.

In turn, an Army command spokesman reported that during the military operation on the night of 7 February the Army acted cautiously in clearing the blockade imposed near the town of Comanche, 70 km southwest of La Paz. Therefore, the Army denies any possibility of confrontations with the peasants.

As of now the situation remains unchanged. The La Paz Peasant Confederation has issued the following demands: proper supply of staples and farming machinery, city market-places to sell their products without middlemen, increase their sales prices, rural electrification, and control of transportation rates.

PRESIDENT TRANSFERS POWERS TO MILITARY MINISTERS

PY091205 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Feb 85 p 5

[Text] Brasilia -- Yesterday, President Joao Figueiredo signed a decree delegating authority to the military ministers to do something that he and the other military presidents have been doing thus far, that is, to hand down resolutions concerning transfers to reserve status and the retirement of high-ranking officers, the appointment of high-ranking officers, mid-level officers, subordinates, and posts for "an eventual mission abroad," and the appointment of high-ranking officers (from the rank of major upward) for "a mission abroad, provided that it does not entail a burden on the public budget."

Although this measure has been unofficially explained by a ministerial adviser as just having a debeaurocratization connotation, it actually also withdraws from the future president of the Republic, as long as these rights are only bestowed upon the military ministers and Armed Forces General Staff [EMFA] chief, the following rights: the retirement of high-ranking and general officers who reach the age limit for staying in reserve status; the post-mortem [as published] promotion of high-ranking officers, and the dismissal, at the request of and following a judgment handed down by a court, of high-ranking officers.

In addition, the presidential decree signed by the president and by Ministers Alfredo Karam, Walter Pires, Delio Jardim and Valdir de Vasconcellos determines that the three military ministers will also be responsible for the implementation of the rules and regulations on organization, admission conditions, continuance, exclusion, and transfer of corps, cadres, branches of military service, services, and ranks of high-ranking officers, mid-level officers, and subordinates.

Through another presidential decree, Major General Waldir Pereira da Rocha, the current director of the Army Basic and Advanced Training School [Formacao e Aperfeicoamento do Exercito], has been transferred to reserve status. Maj Gen Pereira da Rocha, Major General Alvir Souto, the deputy chief of Engineering and Communications, and Brigadier Generals Rubem Ludwig and Clenio Pinheiro reached the compulsory age limit in 1984 and have been transferred to the reserves.

The 1984 compulsory age limit has affected two major generals, 10 brigadier generals from the combat cadres, and three brigadier generals who are military engineers. The transfers of these generals will not be published by the DOU [expansion unknown] until 15 March. The compulsory age limit is provided for by law and seeks to renew the officers cadres when this event does not take place naturally. Therefore, if one-quarter of those effective are not promoted, the oldest generals are transferred to the reserve.

PRESIDENT-ELECT TANCREDO NEVES RETURNS TO BRAZIL

PY081301 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 8 Feb 85

[Excerpts] President-elect Tancredo Neves has returned from his triumphal trip abroad making the following announcement: The ministries or the names of persons who will make up his ministerial cabinet will be released only after lengthy talks with all party leaderships. [Words indistinct] the names will be released just before his inauguration. This means that Neves intends to accept the advice given by Minas Gerais Governor Helio Garcia: to announce his ministerial cabinet, to run into the Government Palace, to have the gates closed, to cut off all telephone lines, and to close his ears so as not to hear any protests.

These revelations have been made by Deputy Ulysses Guimaraes, national president of the Brazilian Democratic Mobilization Party [PMDB]:

[Begin report] President [as heard] Tancredo Neves left Buenos Aires yesterday afternoon and returned to Brazil after visits to Italy, France, Portugal, Spain, the United States, Mexico, Peru, and Argentina. The trip is considered important. Neves was well received even by the United States, where he held meetings with several officials of the U.S. Administration during a breakfast given at the Brazilian Embassy in Washington. This is unusual behavior in U.S. practices. Neves also met with President Reagan. [end report]

PERU, PARAGUAY INTERESTED IN BRASILSAT SERVICES

PY081440 Madrid EFE in Spanish 1352 GMT 8 Feb 85

[Text] Brasilia, 8 Feb (EFE) -- Peru and Paraguay are already studying the possibility of leasing the services of the first Brazilian satellite, which will be launched into space today from the Kouru base in French Guiana.

Peruvian Transportation and Communications Minister Francisco Aramayo will watch the launching of the Brasilsat-1 from Brasilia, together with Brazilian President Joao Baptista de Figueiredo, at the auditorium of the Communications Ministry [Minicom].

Minicom spokesman Arthur Aymore has stated that Peru is studying the possibility of leasing the communications channel of the first Brazilian satellite. He added that Paraguay will also send a delegation to the country with the same objective as Peru.

Manufactured by the Brazilian state enterprises the Brazilian Telecommunications Company and the Brazilian Telecommunications, Inc., in consortium with the Canadian company Spar Hughes, the first Brazilian satellite will be launched by the French rocket Ariane-3 to a position 33,800 km above the earth, at the Equatorial line, just above the Amazon.

Equipped with 24 radio channels, it will allow 12,000 simultaneous phone calls from any point in the country, or the simultaneous transmission of 24 television programs.

The satellite, which cost $61 million, will save Brazil the successive payment of more than $7 billion, an amount spent last year by Brazil on the rent of Intelsat-2 services.

MEETING HELD ON BORDER DEMARCATION WITH VENEZUELA

PA090058 Caracas EL UNIVERSAL in Spanish 29 Jan 85 p 16

[Text] Brasilia, 28 (ANSA) -- Colonel Ivonildo Rocha, head of the Borders and Foreign Relations Commission of Brazil, and Rear Admiral Carlos Pulido Salvatierra, director general of the Venezuelan border sector, began a meeting at the Brazilian Foreign Ministry today to discuss the countries' borders.

During the debates, which will last 3 days as part of the Brazilian-Venezuelan mixed meeting, they will discuss the demarcation of the borders between the two countries.

The technical commission will verify the work submitted by the respective specialized institutions in order to evaluate the results of the recommendations made during the 1984-1985 campaign.

SEMINAR ON TRADE WITH USSR, EAST EUROPE HELD

PY091105 Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Feb 85 p 24

[Text] "Brazilians are good sellers, but poor buyers." This statement was made by Mario Pacheco, Jr, the chairman of Mapa Company, the only Latin American enterprise accredited in Moscow, commenting on his 13 years of experience in foreign trade with Eastern European countries during the seminar on trade with Eastern European countries held yesterday at the Paulo State Federation of Industries.

As an example, Pacheco mentioned a deal made some years ago when Brazil had to buy some equipment for hydroelectric power plants. Pacheco says that the Soviets were offering the equipment for $14 million each with 6 percent interest, a 10-year payment term, and a 2-year grace period. "This was Mapa's offer for the Brazilian hydroelectrical enterprises. Notwithstanding, those enterprises wound up buying this equipment from some European countries for $17 million each with 9 percent interest plus spread [preceding word in English], an 8-year payment term, and no grace period," Pacheco recalls.

"For that reason, even today the Soviets are trying to make up for the deal they lost," Pacheco laments, explaining that this is due to the lack of a time-honored trade with Eastern European countries. He confirms that the USSR is exerting some pressure to have Brazil increase its purchases, thus overcoming the imbalance in the trade balance between the two countries.

"From 1983 to 1984, the USSR reduced its purchases from Brazil by 40 percent, an attitude that is the result of holding back for lack of reciprocity," Pacheco said. According to Pacheco, in 1983, Brazilian imports from the USSR totaled $164 million and Brazilian exports to the USSR totaled $670 million. In 1984, Brazilian exports to the USSR totaled $324 million and Brazilian imports from the USSR totaled $143 million.

According to the data furnished by J.J. Moscardo de Souza, the executive secretary of the Commission for Trade with Eastern Europe, in 1984 Brazilian exports to all Eastern European countries totaled $1.5 billion and the Brazilian imports from those countries totaled $500 million. For Moscardo de Souza there is a great trade potential with the USSR "which has a restrained demand for jeans [preceeding word in English], hemp-sole, and canvas-top shoes and a number of products which are largely purchased in the Western Hemisphere."

Yesterday, upon closing the seminar on trade with Eastern Europe, Moscardo suggested the creation of a permanent follow-up program for those businessmen who are interested in exporting to the socialist countries, a program in which Brazilian agencies and the UNCTAD would participate.

Moscardo de Souza also suggested the creation of a training center for Brazilian trade agents who operate or intend to operate in Eastern Europe. The UNCTAD representative, Guennadi Krasnov, endorsed this idea and voiced willingness to provide assistance on UNCTAD's behalf.

MINISTRY OFFICIALS MEET IRANIAN DELEGATION

LD051838 Tehran IRNA in English 1515 GMT 5 Feb 85

[Text] Tehran, Feb. 5, IRNA -- A political-economic delegation from Iran's Foreign Ministry led by economic affairs director general of the ministry, Mohammad Hoseyn Adeli, met and conferred with Brazilian Foreign Ministry officials in that country Monday. In these meetings shared political viewpoints of the two countries were discussed. Also mutual interest in the expansion of bilateral relations was expressed.

STROESSNER TO BE WELCOME AT NEVES INAUGURATION

PY082122 Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Feb 85 p 5

[Text] It was reported yesterday in Brasilia that General Alfredo Stroessner, the president of Paraguay since 1954, will be welcome in Brasilia if he decides to attend Tancredo Neves presidential inauguration. The government's attitude toward the Paraguayan president's presence will be pragmatic because, contrary to the Pinochet regime in Chile, Brazil has interests of several billion dollars in Paraguay. Therefore, it cannot allow destabilization of the Stroessner regime at this time.

The question about General Stroessner's presence at Neves' presidential inauguration was discussed by advisers and diplomats close to Tancredo Neves after the Paraguayan president sent several diplomatic messages to Brasilia to find out how his desire to attend the presidential inauguration on 15 March would be received.

After the messages were carefully evaluated a conclusion was reached that despite the political process prevailing in Paraguay, Tancredo Neves will have to consider General Stroessner among those welcome in Brasilia.

The analysts believe that, realistically, the future government cannot stimulate the Paraguayan democratic forces the way the president-elect stimulated the Chilean democratic forces in their struggle against Pinochet during his first press conference after his election.

Brazilian interests in Paraguay are worth billions of dollars represented not only by the Itaipu hydroelectric plant but also by large Brazilian business interests in Paraguay. To promote the destabilization of the Stroessner regime would create problems for those interests. This is why Tancredo Neves has so far avoided any comment on Stroessner's regime, and he is willing to formally welcome (although not warmly) the Paraguayan leader in Brasilia on 15 March.

The leaders who have already confirmed their presence in Brasilia are: Argentine President Raul Alfonsin, Colombian President Belisario Betancur, Uruguayan President-elect Julio Sanguinetti, Bolivian President Hernan Siles Zuazo, Nicaraguan President Daniel Ortega, Italian President Sandro Pertini, and Guyana Prime Minister Hugh Desmond Hoyte.

ARMY NOTE ATTACKS 'UNREALISTIC' PRESS REPORTING

PY080106 Brasilia Domestic Service in Portuguese 2200 GMT 7 Feb 85

[Text] Today the Army Social Communications Center issued the following note for the press in which it [words indistinct] the notes repeatedly issued by that ministry [as heard], particularly the one issued on 16 January in the sense of making things clear and calming public opinion.

Certain newspapers continue insisting on publishing unrealistic reports on secret episodes of the presidential succession process and on events that supposedly took place during a meeting of the high command. These newspapers are always making an effort to present the Army as a threat to the political opening process, thus denying the Army the unquestionable role of guarantor of democracy which it has assumed before history.

For this reason, the note adds, the Army high command is addressing the public to state its sharp repudiation of this deceitful practice which, as everything indicates, merely seeks to sow discord within the ranks of the Army and to set it against the people.

As has already been said several times, at no time have high command meetings been held except to discuss unit (?matters). The Army high command is not a collegial body and the rules and regulations that govern it [words indistinct] the matters discussed at the Army high command concern the admission and promotions within the cadres of high-ranking officers. These do not involve votes or decisions but merely are analyses, studies, judgments, and recommendations. The Army minister, as the Army's top officer, is solely responsible for the decisions.

The note adds that the tranquillity prevailing in the development of the presidential succession is not the result of mere chance but arises out of an [words indistinct] purpose by the government to conduct the process within the most perfect constitutional order and counts on the Army's unconditional support. Any report to the contrary is completely groundless.

Despite the malicious and untrue news reports of some newspapers, the country will inexorably continue its journey to consolidate the democratic process, the primary objective of the 1964 revolution, the note concludes.

The note issued by the Army Social Communications Center is signed by Army Minister General Walter Pires de Alburquerque, Army Chief of Staff Jose Magalhaes da Silveira, First Army Commander General Heraldo Tavares Alves, Third Army Commander General Leonidas Pires Goncalves, Fourth Army Commander Geneard Jorge Sa Freire de Pinho, Amazonia military commander Adhemar Machado, War Materiel Chief Jose Alburquerque, Engineering and Communications Department Chief Ivan de Souza Mendes, Second Army Commander General Sebastiao Jose Ramos de Castro, Department of Personnel Chief Fernando Guimaraes de Cerqueira Lima, General Service Department Chief Rubens Mario Brum Negreiro, General Personnel Department Chief Paulo Campos Silva; and by Acting Economy and Finance Secretary Major General Pedro Luis Araujo Braga.

BRIEFS

NEW EBN DIRECTOR -- President Figueiredo today signed the decree that relieves journalist Marco Antonio Kramer from his post as Brazilian News Agency [EBN] director as of 1 February at Kramer's own request. Fernando Jose da Costa has assumed the position of superintendant director by order signed by Justice Minister Ibrahim Abiackel, since the EBN is subordinate to his ministry. [Excerpts] [Brasilia Domestic Service in Portuguese 2200 GMT 31 Jan 85 PY]

240 STUDENTS ARRESTED; ONE DIES IN CUSTODY

PY082127 Santiago Domestic Service in Spanish 1630 GMT 8 Feb 85

[Excerpts] Government Secretary General Francisco Javier Cuadra has confirmed the arrest of 240 students who were participating in unauthorized university summer courses. Details on this incident are being studied and a full report will be issued within the next few hours, Cuadra said. During today's long press conference Cuadra reported that a group engaged in political activities have been arrested and transferred to Conchi, in the interior of Calama in the second region.

[Begin Cuadra recording] Those who were detained in Concepcion and Valparaiso today will be held in Conchi, in the Eloa Province of Calama. A complete report of this event with the names of those involved will be released in Conchi by the National Social Communications Agency in its evening bulletin. [end recording]

Minister Cuadra was also questioned about the U.S. proposal to form an antiterrorist front.

[Begin recording] The Chilean Government has repeatedly proposed in international forums the need to adopt a common strategy and policy on the problem of terrorism. The terrorist actions that have affected our country are mainly of foreign origin. We believe that the Soviet Union is behind all terrorist movements in the West, where it is altering public order in different countries. The U.S. proposal reflects the concern of the Western world since the NATO countries are those affected by international terrorism. In Latin America and specifically Chile, this situation has been going on for a long time, and the Soviet Union's financing and logistical support of terrorist groups is obvious. [end recording]

Student's Death Reported

PY092017 Madrid EFE in Spanish 1937 GMT 9 Feb 85

[Text] Santiago, 9 Feb (EFE) -- Patricio Manzano, a student who was detained on 1 February, has died in a Carabineros police station, according to a Radio Chilena report from the Santiago Archbishopric which today quoted the victim's relatives. Patricio Manzano, 21, a third-year engineering student at the University of Chile, was detained in the Fifth Region where he was doing summer work related to his studies along with 260 students from the same university. Minister Secretary General of Government Francisco Javier Cuadra on 1 February reported that Carabineros forces had detained 240 students. Cuadra said that the students had been engaged in activities prohibited by the current state of siege law but added that they would be returned to their homes. According to the radio report, the Carabineros have promised to release an official report during the next few hours.

BRIEFS

CODELCO-MITSUBISHI CONTRACT -- The Copper Corporation [Codelco] and the Mitsubishi Corporation today signed a contract for the installation of a thermoelectrical plant in the northern region. The plant will supply electricity to the Chuquicamata mining complex and to the northern power system. [Excerpt] [Santiago Domestic Service in Spanish 1630 GMT 1 Feb 85 PY]

GOVERNMENT MINISTER DENOUNCES GUERRILLA VIOLENCE

PAC80443 Paris AFP in Spanish 0023 GMT 8 Feb 85

[Excerpts] Bogota, 7 Feb (AFP) -- The Colombian Government today warned the guerrilla organizations that it will use weapons if they continue to resort to violence and to reject the olive branch being offered by the nation. In a lecture at the Colombian Research Center, Government (Interior) Minister Jaime Castro reasserted that the Armed Forces will be in every corner of the National territory to guarantee security for all citizens.

The minister emphasized that "the guerrilla organizations have never been and will never be able to compromise or even threaten the stability of a government, much less that of our political system," even though he admitted that they have created some unrest. He then recalled that the peace policy being enforced by the government is based on two essential and parallel alternatives: on the one hand, there is the olive branch, and on the other, the government's coercive power and the use of weapons if the road to peace is rejected.

Castro underscored, once again, that the truce agreements signed with the substantive groups include "nothing secret or explosive...all has been done in the full light of day...none of the parties has presented demands or requests that are different from those stated in the documents which have been fully publicized." Nevertheless, the minister stated that he was saddened and concerned over the fact that "there are still some senseless rebels who insist on resorting to violence and do not give up their plans. When faced with a decision, they assume a stubborn attitude because they want to impose their viewpoints and undermine the policy that many others have accepted."

Castro underscored that "we will not tolerate organized crime or common crimes," and added that the Armed Forces -- whose role he praised -- will remain "zealous guardians of the peace which we have progressively achieved and enforcers of public order against all those who seek to disrupt it."

M-19 TO REPLACE LEADER, HOLD NATIONAL CONGRESS

Ospina To Step Down

PA090450 Paris AFP in Spanish 0348 GMT 9 Feb 85

[Text] Bogota, 8 Feb (AFP) -- 19 April Movement [M-19] Commander Ivan Marino Ospina announced today that he will be replaced by a group leadership, after admitting that an earlier statement he made calling for the "murder of U.S. diplomats" that was posted in Colombia was a mistake and faux pas. Ospina's revelation, which was made to reporter Marie Lusia Mejia, was broadcast tonight on the 7 o'clock newscast.

The statements that brought about the extremist leader's downfall were made in Mexico City several hours after a meeting with Colombian President Belisario Betancur, who was conducting a state visit to Mexico in December 1984. At that time, Ospina stated that he agreed with the death threats issued by Colombian drug traffickers against U.S. representatives in Colombia in reprisal for the extraditions of Colombians charged with that crime in the United States.

This statement drew severe criticism and condemnation by all Colombian sectors including some within the M-19.

Several hours ago Ospina met at the M-19 camp in Los Robles in southwestern Cauca Province with his comrades in the high command. He admitted to them that his statements were a mistake and that he recognizes the need to step down as leader. At the same site, the M-19 is preparing for its national congress which will take place between 13 and 17 February. Representatives from all Colombian walks of life have been invited. Coincidentally, a paid advertisement by the M-19, which covered almost one-half of a page, appeared today in Bogota's EL TIEMPO daily convoking the congress. It included a map giving directions for finding the hideout, which is located in the central mountain range.

Ospina hinted that the group leadership will be composed of the current members of the General Staff. Concluding, he said that if he is not included in the new directorate he "will stay with the M-19 as a simple soldier." Ospina, until now top leader of the M-19, replaced Jaime Bateman Cayon in April of 1983 after the latter was killed in a plane crash in the jungles of Panama.

Congress in Los Robles

PA1101412 Madrid EFE in Spanish 1619 GMT 9 Feb 85

[Text] Bogota, 6 Feb [date as received] (EFE) -- The 19 April Movement (M-19) has called on sectors in Colombia and abroad to participate in their first open congress after 14 years of existence as a guerrilla group.

"The country demands that everyone contribute to the great national topics, the present and future of the peace process, the national dialogue, and the political, social, and economic contents of the emergency plan that will lead to a democratic opening," the M-19 stated in its invitation to the congress.

The assembly, the ninth to be held under the slogan "For Peace and Democracy," is the first to be held openly with those wishing to participate and out of hiding, in Los Robles, western Colombia, from 13 to 17 February. "We call on not only the M-19 members, but on all patriots and democrats so that with everyone's participation we can set a new course for our Colombia of today and tomorrow," the top guerrilla group noted.

The M-19 signed a cease-fire with the government of President Belisario Betancur on 24 August 1984 in a document in which they agreed to a national dialogue to discuss national problems.

The guerrillas invited humanitarian, political, and peace-keeping organizations to outline "a path that will lead to immediate and urgent transformations" and consolidate "harmony as the supreme will of the fatherland." The invitation was also made to civic, labor, Indian, and peasant organizations, production sectors, research centers, cultural entities, the church, women's groups, and other guerrillas. The M-19 also expects the participation of the Democratic Left of Ecuador, the Radical Part of Chile, the Latin American social democrats, the Argentine Peronist Party, the National Liberation Party of Costa Rica, the Revolutionary Democratic Front of El Salvador, and the Institutional Revolutionary Party, PRI, of Mexico.

As the M-19 organized its national congress, and Army spokesman informed the newspaper EL TIEMPO that the movement has continued to dig trenches and lay mines around its camp in Los Robles. This is where they were supposed to transfer their camp after 3 weeks of clashes with the Army despite the truce reached last December. "We know that they are building new fortresses and are very well armed," the military spokesman said regarding the guerrillas who are in the western region of the country. The guerrillas asked those who will attend the congress to bring coats for cold weather and cooking and personal utensils.

OIL PRICE SET; LONG-TERM CONTRACTS SOUGHT

PA101835 Quito Voz de los Andes in Spanish 1230 GMT 9 Feb 85

[Text] Javier Espinosa, natural resources and energy minister, announced yesterday that the official price of Ecuadoran oil has been set at $26.50 payable within a 30-day period. He added that the decision will be communicated to OPEC. In addition, the minister confirmed that on Thursday the Ecuadoran State Petroleum Corporation will open bidding on the international market to sell 40,000 barrels of oil daily under long-term contracts.

CONGRESS APPROVES 10,000-SUCRE MINIMUM WAGE

PA090420 Quito Voz de los Andes in Spanish 1130 GMT 8 Feb 85

[Text] After 5 hours of long and heated debate, the Ecuadoran National Congress last night approved the minimum wage for civil servants and workers in general at 10,000 sucres. It also established the minimum wage for small industry and agricultural workers at 7,500 sucres, for artisans at 7,000 sucres, and for domestic help at 4,500 sucres. Two clauses were added to Article 2 of the law, by which Amazon area workers will receive 30 percent over the fixed rate and Galapagos Province workers will receive 50 percent more.

To reach this decision, 23 legislators presented the points of view of thier respective parties. The National Reconstruction Front maintained that in increasing wages and salaries, legislators must take the country's economic situation into consideration. The representatives of the Democratic Left, the Revolutionary Party of Ecuadoran Educators, the Democratic Popular Alliance, the Ecuadoran Socialist Party, and all the others that endorsed the 10,000-sucre proposal said that although the new minimum wage is not enough to satisfy the needs and aspirations of workers, it will nonetheless improve their standard of living. Prior to the approval of the wage increase, a motion to review wage rates annually was defeated by a vote of 54-22.

The issue of wage increases that was debated at the Ecuadoran Congress concerns not only workers, the government, and the business sector, but the entire country due to the repercussions it will have on the nation's economy. While labor organizations insisted that a minimum wage of 15,000 sucres was imperative, businessmen asked Congress to approach the wage issue with due caution to prevent chaos from breaking loose in Ecuador. For its part, the government, claiming that the inflation rate through last December reached 25 percent, maintained that any wage increase must consider two important aspects: first, a wage increase of approximately 25 percent, and second, a raise to compensation payments per cost-of-living increases of 1,500 sucres per month, to alleviate the effects of the recent economic measures that were implemented.

Labor Minister Francisco Diaz, in commenting on the 10,000-sucre minimum wage approved by a multipartisan commission in the Congress, said that it is not a matter of agreeing or disagreeing with the figure but of considering the need to grant wage increases in accordance with the real potential of the Ecuadoran economy.

BRIEFS

MONEY SUPPLY INCREASES -- Ecuador's money supply rose 42 percent in 1984, from 78.45 billion sucres on 31 December 1983 to 110.6 billion sucres on 31 December 1984. Money at the disposal of the general public increased 41 percent, banks had 67 percent more available funds, and the government money supply rose 23 percent. Meanwhile, available currency rose from 24.9 billion sucres to 34.7 billion sucres between 31 December 1983 and 31 December 1984, a 39-percent increase. [Summary] [Quito Voz de los Andes in Spanish 1130 GMT 8 Feb 85 PA]

SUPREME COURT CHIEF TO BE INTERIM PRESIDENT

PY081435 Madrid EFE in Spanish 1958 GMT 7 Feb 85

[Excerpts] Montevideo, 7 Feb (EFE) -- Rafael Addiego, current president of the Supreme Court of Justice, will be installed as acting president of Uruguay on 12 February when the last military dictator, General Gregorio Alvarez, resigns. A few weeks before the end of the dictatorship, Gen Alvarez has found a way to avoid handing the presidential sash to President-elect Julio Maria Sanguinetti. The naming of the Supreme Court of Justice president as head of state is foreseen by the Constitution, and will still be valid on 15 February when the newly elected parliament is installed.

The political leaders who talked with the military about the possible ways to transfer power have reported President Alvarez' resignation and his replacement by Addiego. Addiego will be installed on 12 February before a meeting of the National Council, which was created by the military dictatorship in order to name high-ranking officials.

SANGUINETTI ON RESUMING RELATIONS WITH VENEZUELA

PY091750 Madrid EFE in Spanish 0157 GMT 8 Feb 85

[Excerpts] Montevideo, 7 Feb (EFE) -- This afternoon, upon returning to Uruguay, President-elect Julio Maria Sanguinetti announced that diplomatic relations with Venezuela essentially have been resumed, but it will be made official on 1 March. Sanguinetti said that the first thing he will do when he is installed will be to sign, along with his Foreign Minister Enrique Iglesias, the documents officially resuming diplomatic relations with Venezuela. Uruguayan-Venezuelan diplomatic relations were broken off in July 1976.

Sanguinetti said that Venezuela has spontaneously and generously approached Uruguay and that he believes, just as Venezuelan leaders do, that a new phase of relations between the two countries has begun. Uruguayan television today transmitted images of Sanguinetti's visit to Caracas, showing the tearful faces of dozens of exiled Uruguayans there to greet the elected president, who asked them to return to Uruguay.

OFFICIALS OPEN TALKS WITH IRANIAN DELEGATION

LD012119 Tehran IRNA in English 1850 GMT 1 Feb 85

[Text] Tehran, Feb 1, IRNA -- The visiting Iranian political and economic delegation to Uruguay, led by director general of the Economic Relations Department of the Foreign Ministry, Mohammad Hoseyn Adeli, started talks with Uruguayan deputy economics minister in Montevideo Thursday. Attending the meeting also were Uruguayan directors general of Finance and Foreign Ministries as well as oil, banking, and commerce officials.

Evaluated in the meeting were the existing commercial relations between the two countries, which both sides expressed satisfaction with. Mutual expansion of relations in various fields were also called for. The two sides agreed on the need for strengthening developing countries relations in order to reduce dependency on the super powers.

A message from Foreign Minister 'Ali Akbar Velayati will also be given to Uruguayan officials.

SEPULVEDA ON ECONOMIC READJUSTMENT MEASURES

FL081640 Mexico City NOTIMEX in Spanish 1510 GMT 8 Feb 85

[By special correspondent Mariela Chazaro Argudin]

[Excerpts] Santo Domingo, 8 Feb (NOTIMEX) -- Mexican Foreign Secretary Bernardo Sepulveda Amor has said here that Latin America must patiently swallow the bitter pill of economic readjustment which will bring future benefits of discipline and recovery.

Speaking at the ceremony held to ratify a scientific and technical cooperation agreement between the Dominican Republic and Mexico, the Mexican foreign secretary said that due to the situation in the region, it is necessary that both the governments and the people act with social responsibility.

He said that to advance economically, it is necessary for regional governments to accept the readjustment measures adding that these measures are provisional because through joint efforts of governments and peoples this crisis will be overcome.

Under the accord, the Dominican Republic and Mexico will, by mutual agreement, be able to apply for financing and cooperation from international and regional organizations and third countries for programs and projects resulting from this cooperation.

PEMEX TO BUILD SECOND TRANSISTHMIAN PIPELINE

FL081756 Mexico City NOTIMEX in Spanish 1528 GMT 8 Feb 85

[Excerpts] Mexico City, 8 Feb (NOTIMEX) -- The state enterprise PEMEX will build a second transisthmian oil pipeline (48 inches in diameter and 267 km long) which will run from Nueva Teapa, Veracruz State to Salina Cruz, Oaxaca State under the Pacific petroleum program.

PEMEX also plans to build a petrochemical refinery in Puerto Lazaro Cardenas, Michoacan State, with the capacity to process nearly 200,000 barrels of crude a day in its first stage, which will be in operation by the end of the 1980's or the start of the 1990's, and which could doubt its processing capabilities before 1995.

The Pacific petroleum program will include projects to increase the crude petroleum processing capabilities of the Ingeniero Antonio Dovali Jamime refinery in Salina Cruz, Oaxaca State, from 170,000 to 320,000 barrels a day, which would be the equivalent of building a new refinery.

PEMEX announced that heavy and light crude oil will be handled separately for exporting from Salina Cruz, as will petroleum derivatives, ammonia (for fertilizers), and propane and gas destined for PEMEX terminals on the Pacific.

As for the crude oil storage tank projects in the Gulf of Mexico and the Pacific, there are plans to use the Domos Salinos caverns to hold 10 million barrels and there are 5 tanks under construction in Salina Cruz which will have a 500,000-barrel capacity each and a total holding capability of 5 million barrels.

At present, the first transisthmian pipeline, 30 inches in diameter and 267 km long, handles 400,000 barrels to isthmus crude daily for the Salina Cruz refinery and exports to Japan and Korea. Nevertheless, the infrastructure is insufficient for the Pacific for the medium and long terms.

COSTA RICA

NICARAGUA'S URBINA LARA REPORTEDLY GOING TO PANAMA

PA091853 San Jose Radio Impacto in Spanish 1830 GMT 9 Feb 85

[Text] Nicaraguan student Jose Manuel Urbina Lara will be turned over to Panama next Thursday, a Costa Rican newspaper reported today. The newspaper LA REPUBLICA published this report, attributing the information to diplomatic sources who asked to remain anonymous.

Urbina Lara remained in asylum in Managua from August 1984 until 24 December 1984, when the Sandinist police took him out of the embassy and arrested him, according to the Costa Rican Government. Since then Costa Rican President Luis Alberto Monge has firmly demanded the return of the refugee and respect for the right to asylum, which is sacred to Costa Ricans.

According to the information disclosed today in San Jose, the refugee will be taken from Managua to Panama in a Panamanian Air Force plane and turned over to Panamanian Foreign Minister Fernando Cardoze.

MONGE, GUTIERREZ DISCUSS CUBAN ENVOYS' VISIT

Monge on Mediation Request

PA090420 San Jose Radio Reloj in Spanish 0100 GMT 9 Feb 85

[Text] Today in Cuidad Neily, Costa Rican President Luis Alberto Monge said that conditions are not appropriate for reestablishing diplomatic and trade relations with Fidel Castro's dictatorial government. The president did not explain the reasons for this but said that the communist regime would like to reestablish relations, even consular relations, but that he told the delegation that met with him last week that for now this is not possible.

The Costa Rican president said that our country will not mediate in a dialogue between Cuba and the United States and that this was made known to the U.S. Government through Curtin Winsor, U.S. ambassador in San Jose. President Monge was referring to the request made by Fidel Castro's envoys that Monge put forward effforts to achieve a rapprochement with the U.S. regime. The communist dictator's envoys told President Monge that they would appreciate any effort in this regard. The president told reporters today that he has not had further contacts with any Castro official.

Gutierrez on Monge-Envoys Meeting

PA081449 San Jose Radio Reloj in Spanish 1200 GMT 8 Feb 85

[Text] The Cuban Government is trying to overcome its isolation, and for this it must establish a dialogue with the Latin American countries, special envoys of Fidel Castro who met with President Luis Alberto Monge have said. The Cuban mission, headed by Ramiro Abreu Quintana, met with the president last Thursday through the efforts of Panamanian officials.

Foreign Minister Carlos Jose Gutierrez has reported this with President Monge's approval. The president was the only government official who conversed with the delegation sent by Castro. The Cuban delegation expressed its government's concern over the isolation the country faces, as well as a desire to open a dialogue with the political leaders of the continent.

They acknowledged that Costa Rica is very friendly with the United States, adding that they would be grateful for any help our country could give to establish a dialogue between Cuba and the United States. The Cuban Government also expressed concern over the conflict between Costa Rica and Nicaragua over the Jose Manuel Urbina Lara case, although the delegation made no concrete proposal, Gutierrez said.

Foreign Minister Gutierrez explained that if the Urbina Lara case is resolved within the next few days, as is expected, it will not be due to intervention by the Cuban mission. He said that President Monge stated this because the only efforts so far have been the Contadora Group's goodwill efforts. The foreign minister reiterated that he had no contact with the Castro delegation, and that therefore any positive results in the Urbina Lara case would be the product of the Contadora Group's efforts.

According to Foreign Minister Gutierrez, President Monge merely listened to the Cuban mission's statement. It was a verbal statement, and there was no document involved, according to the president, who added that he would study the points and make decisions on each of them. Gutierrez, who insisted that he did not participate in the meeting, said that the Cubans had requested the meeting a long time ago and that as a result of efforts by Panamanian Government officials the president received them as a gesture of courtesy.

When asked about the Cuban Government's interest in establishing consular, trade, or diplomatic relations, Foreign Minister Gutierrez said that his office had not received any request of this sort. Nevertheless, he said that matters pertaining to establishing relations between Costa Rica and Cuba or any other government must be handled by President Monge.

Costa Rica and Cuba maintained trade and consular relations until 1980, when several Cuban officials were expelled from the country for participating in subversive activities in the Atlantic area, where they promoted a workers strike.

Gutierrez expressed hope that Jose Manuel Urbina Lara will be released by the Managua regime by 14 February, as the Costa Rican Government has demanded. The foreign minister said that if the Nicaraguan delegation takes Urbina Lara to Panama on 14 February when the Contadora Group meeting begins, Costa Rica will attend the meeting on 15 February. However, he insisted that as long as Urbina Lara is held, Costa Rica will not attend any meeting promoted by the Contadora Group.

Costa Rica expects the Contadora Group's efforts to produce results, but our country will not attend the Contadora Group meeting if Urbina Lara is not released, Foreign Minister Gutierrez said. According to a telephone conversation Gutierrez held with his colleague, Panamanian Foreign Minister Fernando Cardoze, the latter said that the Contadora Group expects the Costa Rican delegation to be present on the 14th. Gutierrez said that his response was: When Urbina Lara is released we will confirm that a delegation will be sent, adding that the Contadora Group foreign ministers have said they believe Urbina Lara will be released.

Once Urbina Lara is released by the Managua regime, Costa Rica will make a statement on the right to asylumn. Our country will make a commitment not to grant territorial or diplomatic asylum to anyone seeking to evade obligatory military service in any country with which Costa Rica maintains diplomatic relations, as established in international agreements. It will also state that the country granting asylum will establish the type of asylum required, not the country the citizen is fleeing from, Gutierrez said.

EL SALVADOR

DUARTE DISCUSSES ELECTORAL LAW, OTHER ISSUES

PA090140 San Salvador Domestic Service in Spanish 1530 GMT 8 Feb 85

[Press conference held by President Jose Napoleon Duarte at the Presidential Palace in San Salvador -- live]

[Excerpts] [Moderator] We call on Radio Libertad correspondent, (Nery Asconio Pinedos).

[Question] (Pinedos) Mr President, yesterday the Supreme Court of Justice (?ruled) in favor of Legislative Assembly. What is your opinion of this ruling by the Supreme Court of Justice? Also, [words indistinct] meeting with the president of the Legislative Assembly [passage indistinct].

[Duarte] Yes, of course. First, I believe the country and the world already know that the Supreme Court of Justice ruled yesterday on the differences between the legislative and the executive branches regarding the electoral law. From a legal viewpoint and from the very beginning, I said that once the Supreme Court of Justice ruled there would be nothing more to do except obey the court's ruling. Therefore, as I said then: I will abide by the decision of the Supreme Court of Justice.

However, I do wish to make some observations. These are objective observations that allow me to evaluate this process. My main objective is to lead the country along the democratic path, and I believe that everyone realized that electoral possibilities were being endangered by decisions that could have stopped the electoral process. This situation endangered the country's stability. I felt that it was necessary to enforce the democratic process in the country. I said this before an assembly of the Armed Forces, which I convoked. I told them that they would be tempted, that they would be approached by individuals who would try to incite them to carry out actions under the pretext of instability. I told them that it is important to understand that democracy is the permanent management of society's conflict in search of a consensus. If we understand democracy from this viewpoint, then all differences must be handled in a rational manner, in order to achieve a consensus through the management of the conflict. The solution must be equal for everyone.

Therefore, I can tell you that in this conflict we have dealt with three new institutions: the executive veto, a matter that had to be examined because the idea of a partial veto was discussed; the structure of ratifying or rectifying the structure of the National Legislative Assembly, where the law I had ordered published was declared null and void; and third, the establishment of the Supreme Court of Justice Constitutional Court. We put three democratic institutions into operation. This is obviously an effort to strengthen the institutions that will handle the social conflict and that will seek a national consensus. I repeat: Once the Constitutional Court rules, I abide by the Constitution by accepting the ruling and enforcing it as a duty of the president of the Republic. Whether I agree is not the issue; whether the arguments I presented in my report where used or analyzed, and whether the court's ruling is in accordance with the legal and theoretical concepts are not the issues. Since I am not a lawyer, I cannot comment on the legal aspect of this. However, do allow me to say two things that I believe to be important in this process.

First, the Supreme Court of Justice has ruled that there can no longer be a partial veto in this country. The veto must be total. Therefore, any resolution approved by the Legislative Assembly that the executive branch does not agree with will be totally vetoed.

Even though I feel that this is quite logical, I also feel that it is not fully adequate because if the legislative and the executive branches agree on many things, or only on some things, then it is not logical to eliminate all that we agree on simply because we do not agree on everything. In sum, the idea of the partial veto has been eliminated and the idea of a total veto has been imposed. This will obviously lead to an attitude that could endanger the country at a given time. I believe that this was the case with the electoral law, because the idea was that the executive branch would have not way out but to veto or accept it. If the law were vetoed, there would be no elections, no mayors, and no deputies. The law would simply be filed away, and instability and a coup d'etat would arise. That was the theory they were trying to enforce and that is why I had to search for a solution that would allow us to have a law, so that no one could ever say that there is no law. I believe we have achieved this. Despite everything, there is a law and we will have our elections.

There is a second point that I feel is important to discuss. I am not a lawyer, but I feel that lawyers will have a lot to say about the court's justification of the matter regarding the publication of a law without the inclusion of the word publish. This means that if a law is received at the presidency, anyone, without consulting me, can take the law, send it to the Official Gazette, and if the Official Gazette publishes it, it becomes law. It becomes a law even if the executive branch did not promulgate, sanction, or order its publication. This is the court ruling included in the document, and I feel that with this action they have tried to justify the fact that when the Legislative Assembly adopted the decision they reached the conclusion that it was not necessary to add the word published to the law, and that therefore it could be published without that word. The lawyers will have a lot to say about this.

The third point is basic. I feel that if you study the ruling you will find that my views were not taken into consideration, much less studied. The idea of a law, what a law represents, the harmony of the Constitution from the viewpoint of what a law is, the idea of the partial and total veto -- all of these things have not been taken into consideration in the analysis.

We also maintain a position that I feel will be discussed at length by lawyers. I am not a lawyer, but I think they will discuss the section that refers to applying the Legislative Assembly's resolution in which the Assembly states that the law is null and the court adds that it is also void. Now we have a situation where a law described by the Assembly and the court as null and void is also unconstitutional. I honestly do not understand this very well. However, I do feel that the most serious matter is the fact that they say that someone can publish a law without an official order for publication. This is basic in the promulgation and sanctioning of a law.

Despite all of this, I feel that a ruling has been issued. The Constitutional Court, the highest authority in matters of the Constitution, has ruled, and now we must obey. I will obey the ruling. Henceforth, whenever a veto is used it will be a total veto even if I agree with 99 percent of the law. Because of the 1 percent, I will have to veto the whole law because it is the only alternative. I also wish to inform you that I will submit no laws to be published in the Official Gazette without the word publish because I do not feel that this is correct. I am going to do what is correct according to the Constitution, and it says that any law to be published must contain the word publish and then be signed. By doing this, one assumes responsibility for the law, and this must accompany the law. This is what I feel I must do. I must accept the ruling and all that is included in the electoral law. I believe I have answered your question.

I will once again repeat that I believe that this has been good for the country; it has overcome a crisis and despite numerous efforts, those behind them were not able to involve the Armed Forces. The country's democratic structures were used in this matter, and we have strengthened the system through which conflicts can be handled. We have reached a solution that, according to the Constitution, is valid for all. This is the ruling of the Supreme Court of Justice. All of this is good for democracy. Because it is good for democracy and democracy is my objective, I am pleased. I feel this has been a process that will continue to move forward.

[Moderator] MIAMI HERALD correspondent [name indistinct].

[Question] Mr President, as you have already said (?we) have overcome a period during which there were confrontations between the executive branch and its opponents. Some U. S. officials recently [words indistinct] fear that if you achieved a majority in the Assembly these clashes would increase. How would you describe the support you have received from the United States in your struggle against the rightist sector [words indistinct]?

[Duarte] The information you are giving me, that U.S. Embassy officials could be giving this kind of information is incredible. I am going to protest before Ambassador Pickering based on what you have just told me.

However, in analyzing your implications I want to say that the argument presented is one that justifies the fascist attitude of these people. If the argument is that if the Christian Democrats win a majority in the Assembly then these rightist gentlemen are going to become involved in subversive actions because they will have no participation, then this means that they never believed in democracy and do not care for democracy. In a democracy you must know how to win and lose. When you are in power and lose it, you must hand it over. This is what I did when I was a member of the government junta. Despite the fact that we won the elections by 42 percent, the political parties of the right joined and created a majority in the Constituent Assembly and decided to assume power. As part of the democratic process, we, the members of the junta, relinquished power. We did not turn to guerrilla actions and did not destabilize the country. On the contrary, we sought to stabilize the country and restore the democratic process. That is democracy.

Therefore, it seems incredible to me that there are people in this country who think that democracy is only to win, and that when you lose you forget the democratic way and take another path. No, Democracy must be respected and we must respect the rules of the game. We must know how to win and lose. If not, it is not a democracy. All this conflict shows you that all they want is to win everyting. They want to lose nothing. They are even adopting arrogant attitudes. We see this in all those resolutions being adopted by the Central Electoral Council. They are doing this to impose themselves by force and are trying to win by force even if the people do not vote for them.

Therefore, I feel that your question and the information you have given me can be very dangerous because they imply an evaluation that can produce, allow, or propitiate what would follow the destabilization process which the extreme right has tried to impose in the country.

I repeat, I do not agree with embassy officials making statements or insinuations. I do not feel that this is their right. I believe that those who say that losing an election could mean an increase in violence of the extreme right in the country are adopting a senseless and antidemocratic position.

[Question indistinct]

[Duarte] I want to categorically answer the first question. We went to the National Legislative Assembly to give the Assembly board of directors and political leaders a report on the country's military situation. We also officially presented to the Legislative Assembly the request to approve the credit which was approved yesterday. These were the two topics officially discussed at that meeting. I can categorically tell you that yesterday -- or I think it was the day before when we were at the Assembly -- I did not present any law dealing with obligatory military service. I did not present any law of that nature. I think this is a clear and categorical answer. It could not be otherwise because if I do not present such a law, there can be no such law because the initiative must come from the president through the ministers. I think this is categorical.

Regarding the second question, I must tell you the following: I do not accept any demand... [addresses journalist] What was the word you used? [indistinct answer from the journalist] I do not have to reply to things that are not within the agreed upon plans. I am aware of and accustomed to the forms of pressure that the extreme left uses to try to get its positions accepted by others. I want to tell you that this has not occurred. I want to tell you that at no time have we agreed to any meeting in January or February as they had sought. Therefore, it is not true that we have a commitment to hold that kind of meeting. They have made a proposal, which is another thing. They wrote a letter proposing their views on the next meeting. In this regard, I have said that I have not made a decision and that as soon as I do I will make it known. Obviously, when I make a decision I contact the elements who are serving as coordinators -- I think all of you know that this is the archbishop -- and I notify them of the conditions, characteristics, and alternatives for such a meeting. I did so for the La Palma and the Ayagualo meetings, and I will do so when the time comes for the continuation of the talks, whenever these talks are sincerely aimed at the search for peace and are not just propaganda tactics aimed at weakening the Salvadoran's people's hopes. I do not want to frustrate the Salvadoran people. I want to undertake a dialogue that will give the Salvadoran people the possibilities of achieving tranquillity and peace. That is my objective and that is what I am going to do.

[Moderator] James Le Moyne from THE NEW YORK TIMES.

[Question] [Le Moyne] [Words indistinct] U.S. Embassy [words indistinct] embassy (?misinforming) the right-wing opposition parties so that they can perhaps win these elections and (?maintain a majority) in the Legislative Assembly?

[Duarte] No, I believe that I would ask the U.S. Embassy not to issue an opinion or intervene regarding the internal political process in the country because this is a matter which concerns only the Salvadoran people. I can tell you that I have and feel that I have the support of President Reagan and the United States. Therefore, I feel that the U.S. Embassy and especially the ambassador are fulfilling this support for the Salvadoran Government. I do not have any doubt about this and feel satisfied that I have the sincere political and economic support of President Reagan, the U.S. Congress, and the U.S. ambassador. I state this without any fear, even though this statement will probably be distorted and those of the left will say: Look how submissive he is to the United States. However, I want to tell you that the United States has respected the political strategy and policy that I have established for El Salvador. I am very grateful to the United States and other countries such as Germany, Italy, Venezuela, and so on.

For example, I think you are unaware of the struggle carried out in the United Nations by the Venezuelan Government along with the Costa Rican and Colombian Governments against a resolution proposed by Mexico against El Salvador. Venezuela, Costa Rica, and other countries defended El Salvador. This is the support that I need and want. I accept it and am grateful for it. This is the support that President Reagan and both parties in Congress have given me. This is the support that legislators such as Solarz, Dodd, and Long, who are U.S. liberals, have given me. This is the support that the State Department and the U.S. Embassy have given me. I want and need this support. I am grateful for it. However, I do not agree when someone wants to meddle in our country's internal affairs. I am very clear on this; I do not agree with it. This happens occasionally, but it is quickly corrected because the U.S. Government has made a political decision to support the country's democratic process.

VENCEREMOS ON ARMY'S PROBLEMS IN GUARANTEEING ELECTIONS

PA090423 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 8 Feb 85

[Text] Jose Napoleon Duarte, General Eugenio Vides Casanova, and General Onecifero Blandon's unexpected visit to the so-called Legislative Assembly caused a great stir in the media. Jose Napoleon Duarte himself created a certain air of mystery around this visit which Maria Julia Castillo barely described as an overall discussion of the country's situation.

The truth, neither mysterious nor secret, is that the Armed Forces are confronting a deep and difficult crisis. The reason why these three men, the president, defense minister, and Armed Forces chief of staff, respectively, went to the so-called Legislative Assembly to present a plan to help the puppet Armed Forces overcome the difficult situation they face is because of the confrontations and weakening they have suffered during the war agaisnt the FMLN, the armed branch of the working class. This crisis deepens with the upcoming elections for mayors and deputies.

Three matters were discussed by Duarte, Vides Casanova, and Blandon at the Legislative Assembly. First, because of the puppet Armed Forces' inability to guarantee that the elections be divided into two separate groups and held on two different dates; that is, to have enough soldiers, the country would be divided in two and elections would be held on different dates in each region.

Second, the Armed Forces of the regime urgently need to increase their troops in order to face the FMLN and to hope to exert control over the country. With the present 40,000 soldiers, they cannot guarantee this action. To quickly increase the number of soldiers of the puppet Armed Forces, Duarte and the two high command officers suggested a compulsory military service law [words indistinct] effective measures to force the workers, students, and government employees to join the Army. This compulsory military service law, or to make it clearer, this forcible recruiting law, would force the students to serve in the Army in order to graduate, and the workers and government employees would be forced to dress in green uniforms and fight on the battlefronts to defend foreign interests in order to hold their jobs.

Third, to complement the [passage indistinct] budget assigned for military spending to cover the wages that the planned increase in the number of soldiers would create.

These were the so mysterious matters discussed at the Assembly. This is why they wanted no publicity.

It is ridiculous that the puppet Armed Forces and its 40,000 soldiers, with the large-scale U.S. aid with its military advisers, aircraft, helicopters, machine guns, etc., are unable to face this revolutionary army that, according to them, is demoralized and defeated. It is sad to have to admit that the Armed Forces cannot guarantee an election in the country, and that they need the Assembly to divide the force into two groups.

Meanwhile, it is alarming for the parents of the students, for the youths themselves, for the government employees and workers in general, that this regime should force them to join the ranks of an Army that is their enemy; that the workers and students be forced to fight against workers and students.

This is a serious problem for the Armed Forces. It could be that recruiting 10 or 15 bourgeoisie to turn them into criminal helicopter pilots is relatively easy, but it is not that simple to quickly and forcibly recruit 30,000 workers, students, and government employees to turn them into cannon fodder of an Army that has already lost the war and that faithfully represents the interests of the oligarchy, [words indistinct].

Likewise, it offends the workers, students, and government employees that the budget for the national guardsmen, the spies, of the sinister death squads, security corps, has been increased, yet the budget for the national university has been rejected and the fair wage increase demanded by the workers has also been rejected.

The plan Duarte, Vides Casanova, and Blandon presented to the Legislative Assembly will only increase general unrest among the Salvadoran people, [word indistinct] up in arms. The Armed Forces of Duarte's regime are facing a deep crisis, and measures like this will not save it from crumbling because reason and justice are on the side of the working class; because the support of the people cannot be bought with antipopular laws. The puppet Armed Forces have sunk into a crisis and will continue to sink until the victory of the working class is achieved, the victory of the FMLN.

GUATEMALA

OBJECTION TO UN HUMAN RIGHTS RESOLUTION REPEATED

PA090432 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 8 Feb 85

[Text] Today the Guatemalan Government reiterated its objection to a UN resolution reporting that human rights are routinely violated in Guatemala. The government rejected the resolution when it was issued last year and again today, when Deputy Foreign Minister Mario Marroquin Najera said:

[Begin recording] The UN General Assembly broached the subject of human rights in Guatemala. At that time several delegations, particularly from Europe, presented a draft resolution on the issue. The resolution was sponsored by several countries. The representatives of various countries, including Guatemala, objected to the resolution because they considered it unfair and biased. We have repeatedly maintained that the topic of human rights, which is among the most noble topics the international community can address, has been given political undertones in the United Nations, distorting that body's humanitarian purpose by allowing motives alien to the issue of human rights to influence proceedings. This is demonstrated by the fact that of the 158 member states, only 3, all Latin American, have been the object of human rights analyses. [end recording]

HONDURAS

GOVERNMENT DENIES BREAK IN TALKS WITH U.S.

PA081429 Tegucigalpa Domestic Service in Spanish 1130 GMT 8 Feb 85

[Statement issued by the Honduran Government on 7 February]

[Text] In the face of international press reports which circulated today, the Honduran Government explains the following to the public:

1. It is completely false that Honduras and the United States have suspended their talks on economic and military topics.

2. The negotiations between the two countries continue normally, and at no time have they been suspended or bogged down as a result of intransigent positions by either delegation. On the contrary, yesterday and today the representatives of the two countries discussed how to take better advantage of the joint military exercises to be carried out by soldiers of the two nations.

3. Honduras and the United States will continue their talks on military topics at the offices of the Joint General Staff of the Armed Forces at 1400 today, Friday.

4. The Honduran delegation will be made up of Colonel Efrain Lizandro Gonzalez, chief of the Joint General Staff of the Armed Forces, and Colonel Francisco Zepeda, commander of the Honduran Air Force.

5. The United States will be represented by (Sheppard Lowman), minister-counsellor of the U.S. Embassy in our country, and Lieutenant Colonel Jerry Clark, chief of the U.S. military group in Honduras.

In addition, other meetings are scheduled to continue the negotiations on economic matters. By denying reports of a suspension of the Honduran-U.S. negotiations, the government of the Republic confirms its intention to continue these talks until an agreement satisfactory to both sides is found.

DOCUMENT OUTLINES CONSENSUS ON ECONOMIC MATTERS

PA081626 Tegucigalpa Domestic Service in Spanish 1130 GMT 7 Feb 85

[Document issued at conclusion of a meeting between the government and productive sectors in Tegucigalpa on 6 February; read by Gustavo Alfaro, executive director of the National Agrarian Institute -- recorded]

[Text] A meeting has been held between the country's active forces, represented by leaders of industry, commerce, banking, agriculture, and the livestock industry, workers, peasants, the Armed Forces, and the National University; and members of the government's economic cabinet. The meeting was a true exercise of participatory democracy, which is a norm of President Roberto Suazo Cordova and his government. In trying to achieve the country's economic development through the participation and efforts of all sectors, a consensus was reached on the following points:

1. The stability of our national currency is important, convenient, and necessary for the country. Therefore, we support the government's decision and reject any national or international attempt to devalue our currency.

2. We recognize the government's efforts and achievements through its policy to maintain financial stability and support production and exports.

3. It will be necessary to adopt measures in other fields to increase domestic saving and to strongly encourage national and foreign investments, particularly in the production and export fields.

4. It is our responsibility to continue our current internal efforts, but it is equally important to have the understanding and support of international financial institutions and governments of friendly countries, since in a convulsed region like Central America the efforts undertaken by Honduras to maintain democracy and peace should be supported without the imposition of conditions that could harm our sovereignty.

5. To generate jobs and increase production, it is necessary to adopt urgent legal procedures that will permit the sale of state-run enterprises at market prices.

6. It is convenient to adopt a cautious foreign debt policy, channeling resources mainly to productive activities.

7. Greater sacrifice is necessary from all sectors so that our domestic consumption can be balanced with our export capabilities.

NICARAGUA

FSLN MESSAGE ON U.S. THREAT, BUDGET MEASURES

PA082322 Managua Domestic Service in Spanish 1952 GMT 8 Feb 85

[FSLN National Directorate message to the nation read by President Daniel Ortega Saavedra at the Presidential House in Managua -- live]

[Text] From the FSLN National Directorate to the Nicaraguan People

Brothers: We begin 1985 by facing the greatest difficulties of the past 5 years of combat and revolutionary work under the weight of the aggression and threats of U.S. military power. This is so despite the efforts of the Nicaraguan people and government to achieve a peaceful solution to the situation created by the United States, which is intent on denying us our rights to self-determination, peace, and life itself.

Our commitment to peace, by using peaceful means to resolve situations that threaten the peace and security of states, has led us to seek a sincere dialogue with the U.S. Government since the current U.S. Administration assumed power, with a persistence which the international community has witnessed. In view of the impossibility of this dialogue, on 17 October 1983 the revolutionary government submitted a proposal for a peace treaty to the U.S. Government that flexibly and maturely took into account all the alleged concerns of the United States regarding Nicaragua. Thus far that proposal has not been answered.

The search for peaceful solutions also led the government on numerous occasions to the UN Security Council, where it reported the illegal and completely unjustifiable way in which the United States has been launching aggression against the Nicaraguan people. The U.S. Government, turning a deaf ear to our peace proposal, made extraordinary efforts to prevent the Security Council from reviewing Nicaragua's charges. However, the clearness of our presentation led that high body of the United Nations to approve Resolution 530, which the United States has completely disregarded.

The campaign of lies that the U.S. Government orchestrated in November of last year with regard to the alleged arrival of sophisticated aircraft in Nicaragua is also worth noting.

During the past several weeks, that same government has proceeded to block, suspend, or withdraw from all peace-seeking processes in the region. They boast in official documents that they have succeeded in effectively blocking Contadora; they suspended the Manzanillo talks indefinitely, only days after the foreign ministers of the Contadora Group publicly urged that the talks be used to normalize bilateral relations between Nicaragua and the United States. Finally, they withdrew from the international court of justice, a tribunal which the United States has used more often than any other country of the world and in which they have always expressed confidence.

In the case of Nicaragua, the Washington government has proclaimed itself prosecutor, judge, and executioner all at the same time. When the international court of justice unanimously decided it was competent to hear Nicaragua's charge, the United States again proclaimed itself to be a judge higher than the court. [Words indistinct] and they withdrew from it, almost irreparably affecting the international legal order. This rejection is a serious threat to international peace and security.

As a result of this policy of blocking all paths to a peaceful solution, the Washington government has been bent on preventing the continuation of dialogue between our government and the Miskito, Sumu, and Rama, Sandinist Unity organization which it has divided. It has also been bent on hindering the progress of bilateral dialogue between Nicaragua and its Central American neighbors, whose historic unity and fraternal desires have been extremely affected by the policy of division and confrontation promoted by the U.S. Government.

Not satisfied with obstructing all processes for peaceful solution in the region and of promoting confrontation in Central America, 2 days ago the U.S. President appealed to the U.S. Congress to continue allocating funds to maintain, in effect, the terrorism of the mercenary forces that have murdered thousands of men, women, children, and old people, both civilian and patriotic defenders of Nicaragua's sovereignty and territorial integrity.

At the same time the U.S. Government has ordered the holding of the "Big Pine III" international military maneuvers. These maneuvers are being carried out a few kilometers from our border with Honduras and are unprecedented in their dimension and the means used. Parallel to this, the U.S. Government has planned the presence of U.S. troops on Costa Rican territory under the guise of civic assistance.

Despite this behavior by the United States, the FSLN National Directorate continues to support the endeavors of our people's government to convince the United States to return to the talks in Manzanillo to lay the groundwork for a negotiated solution, leading to normalized relations between Nicaragua and the United States.

The FSLN National Directorate continues and will continue to support the noble efforts for peace and cooperation sponsored by the Contadora Group. We will continue to support, through bilateral dialogue with our neighbors, measures necessary to strengthen the coexistence and cooperation that should characterize relations among the brother countries in Central America.

These efforts for peace at the international level complete the battle for peace that we are also waging in our fatherland against the foreign aggressor. To defeat the mercenary forces is to win the battle for peace. This objective will be achieved to the extent that every Nicaraguan takes as his own our military doctrine of a people's war and the strengthening of the military organization of all Nicaraguans in order to confront and defeat the CIA mercenary forces and to resist and expel from our country a possible direct military intervention by Yankee imperialism.

While the U.S. Government's terrorist strategy is trying to collapse the economy and eradicate the services created for the people -- the educational, the cultural, and democratic advances ratified by the people in the 4 November 1984 elections -- it is also trying to boycott the national reconciliation efforts as expressed in the dialogue with the church, the amnesty law that covers all of the people who in the final analysis are also victims of U.S. terrorist policy, the dialogue for national integration through autonomy for the Atlantic coast, and the country's constitutionalization, a task in which the National Constituent Assembly is involved.

In January 1981, 4 years ago, the U.S. Government decided to implement a policy of aggression against our homeland. Its main objective has been to destroy the Sandinist people's revolution. For 4 years we have suffered the destruction of schools, health centers, agricultural cooperatives, transportation means, fuel tanks, food storage facilities, child development centers, and [word indistinct].

To this aggression, we must add the suspension, delay, and blockade of credits from multilateral institutions, the suspension of export quotas, and many other actions against our economy that have been piling up and have resulted in losses surpassing $1.0844 billion.

In addition to the hardships caused by U.S. attacks, during the past 4 years we have also had to confront the international financial and commercial crisis particularly affecting the Latin American countries, which together owe more than $360 billion. In 1984 the Latin American countries had to pay $40 billion, which is equivalent to 35 percent of our total exports, and this was only in interest payments.

This critical economic situation, which can only be described as infernal, has resulted in an increase in our foreign debt from $1.6 billion to $4.352 billion. Of this total, the capitalized interests plus the 1984 and 1985 interests total $872 million in interests alone. In part, this is due to the unbalanced and unfair economic exchange in international trade. We only have to recall that in 1973 a barrel of oil was worth $3 and the price of a quintal of sugar was $30. In other words, in those days we could buy 10 barrels of oil with a quintal of sugar. Now, as a result of the growing exploitation of developing countries, the price for a quintal of sugar is only $6, while the price for a barrel of oil is $30. Therefore, today we must produce 5 quintals of sugar to buy a barrel of oil, and we must produce 50 quintals of sugar to purchase the 10 barrels of oil that we bought at a price of a quintal of sugar in 1973.

The U.S. war of aggression, together with the effects of the international crisis, clearly explain the causes for Nicaragua's increasingly difficult economic problems. The low prices of our export products, the financial obligations imposed by our creditors, and the economic damage caused by U.S. attacks have resulted in a shortage of foreign exchange.

This has resulted in limitations in obtaining raw materials, spare parts, machinery, medicines, food, and basic products, all of which are vital resources for production and our people's survival.

Despite these difficulties, from the beginning the revolution has tried to solve our people's historical problems. The revolution has developed broad health programs, dramatically reduced illiteracy, and built schools, highways, roads, bridges, and recreation centers. The revolution has also promoted large production projects. In an effort to eradicate misery in Nicaragua, the revolution has invested more than $1 billion in development projects during the past 4 years and maintained official low prices for basic grains, sugar, cooking oil, transportation, and medicines.

As never before, the revolution granted credits to peasants and condoned accumulated debts. In sum, if we mention any major economic mistake, it would be that we wanted to cover too much at one time. In reality, we have done more than could be expected with our limited resources, and we have done this despite the enormous level of destruction inherited from the Somozist dictatorship and the destruction we continue to suffer from foreign attacks.

Today the war demands greater resources. We are investing 40 percent of the national budget in defense. Of each 100 pairs of shoes manufactured in the country, 40 are military boots; of each 100 pairs of pants and shirts, 40 are military uniforms; of each 100 lbs of corn, 30 lbs [as heard] are sent to the war fronts; of each 100 liters of cooking oil, 30 liters [as heard] go to the fighters; and 40 of each 100 bars of soap must go to the fighters. This enormous expense largely accounts for the shortages, high prices, inflation, and speculation that we are now confronting and that we will counter.

In view of the shortage of food and basic goods, and in view of the greater demand for these products since the revolution's victory, certain parasites have engaged in illegal businesses: gouging merchants who evade domestic trade controls and make fun of the efforts and sacrifices of the people's fighters and working people. These delinquents are the ones who set the prices for consumer goods. In this manner, the gouging small-, medium-, and large-scale merchants have stolen thousands of millions of cordobas from the people during these years of revolution. Due to the shortages, the government subsidies, which initially were quite useful in defending the interests of the working people, now help to increase speculators' profits at the expense of the efforts and sacrifices of the workers and producers in the cities and rural areas. That is why workers buy less each day with the same salary.

Therefore, although there is a growing demand for goods, the supply is affected by the facts we have mentioned, and consequently is insufficient. We have a demand for state expenses that will directly benefit all the people; there is a demand for capitalist expenses to benefit businessmen and merchants; we also have a demand for popular expenses to benefit workers, peasants, small-scale producers, and craftsmen. To fight inflation and thus speculation, in other words the uncontrollable price hikes, it is necessary to control the demand and increase the supply of basic goods by increasing production, and by saving through reducing the consumption of food and basic goods.

To regulate demand, the people's government has restricted the national budget. This year the budget has not been increased in real terms. Investments are being planned in a way that can be financed. Savings and efficiency are being demanded in the use of government resources. The creation of new government positions is being frozen. These are some of the measures that have been taken to control government expenses.

The revolutionary government has approved taxes for businessmen and merchants in order to reduce the capitalists' expenses, so that this sector will also share in the measures to confront the crisis. The policy of subsidies that the revolution has promoted for the benefit of all Nicaraguans, which has meant more than 7 billion cordobas in subsidies, recently has not been benefitting those it really should: the workers and producers. It has gone into the pockets of speculators. Eliminating these subsidies and gradually transferring them in order to improve the salaries of workers in cities and rural areas, as well as the income of peasants and small-scale producers, is another necessary measure so that this subsidy can be transferred from the speculators' pockets to the workers' hands, and so that the workers can readjust their salaries and purchase basic products at the new prices. Exercising more discipline in utilizing credits is another measure that should help us reduce demand. The enterprises which belong to the people should become examples of efficiency, thrift, and productivity.

Along with measures to regulate demand, measures to increase the supply of food and basic goods through increased production are necessary. That is why it is fair to establish better prices for producers of agricultural products, for the peasants, the basic producers of corn and beans. In the industrial sector, as the producer of basic goods, we must establish favorable and well-administered credit for producers, while strictly administering foreign exchange to guarantee the raw materials, spare parts, machinery, equipment, and transportation which are indispensable to productive sectors.

We have indicated that as producer prices increase so will the prices of products. However, this measure promotes production, which will ultimately lead to stabilized product prices. We repeat: The workers will get salary readjustments periodically so that they can purchase those products at their new prices, with a guaranteed supply of those products at official prices and through safe channels of distribution. However, workers must try hard to increase their productivity and production and develop the necessary organization for the normal operation of safe distribution channels.

That way we will be funneling the wealth currently in the hands of price gougers to workers and producers, who are the creators of that wealth.

We will also prevent contraband to neighboring countries. Many of our products, as you know, are currently pirated because their prices here are much lower than those established in neighboring countries. We must also make some readjustments in our currency's exchange rate, in an attempt to stimulate exports, eliminate contraband, and stimulate our domestic finances. However, this must be done by taking special care to protect productive workers of the cities and fields.

All these measures must be matched by greater involvement of state institutions, workers, and FSLN party structures to fight mistakes, vice, and corruption which have yet to be eradicated and which increase the cost of the crisis to the fighting and hardworking people. From the National Directorate to the last member and supporter of the FSLN, we must review our behavior and attitude toward the country's problems to achieve the necessary coherence and consistency in the face of flaws which we have not yet been able to overcome. The FSLN National Directorate, FSLN activities and supporters, its political, mass, and social organizations urge the Nicaraguan people to begin 1985 by conscientiously supporting the military and economic measures that the Government of the Republic is implementing and will continue to implement.

As has been noted, the first task of 1985 is the military defense of the revolution. For this we must guarantee fighters to make up the new battalions for unconventional warfare who will fight against the mercenary forces.

We must guarantee clothing, food, boots, medicine, and transportation for the people's soldiers, and if this means even more limitations and sacrifices for the working people who are active in the rear guard, we must be ready to assume them.

During 1985, in order to face the crisis we must support productive tasks in the fields and cities. This involves foreign exchange, budgets, salaries, services, food, and basic goods for productive workers of the cities and fields. The picture is clear and we will make no false promises or raise false expectations.

When we speak of wage readjustments, this does not mean that the worker will be able to purchase more goods than he is currently purchasing. This means that his wages will be protected against the inflation that is affecting our economy. The measures are aimed at facing the crisis imposed on us but still will not make us overcome the crisis. We will be able to overcome this crisis in the medium and long term to the extent that we defeat imperialist military aggression and increase the total production of the country.

In this joint effort of economic measures, we appeal to the conscious of all Nicaraguans so that we may distribute the burden of the crisis among all, because this is the only way to face it. No one can expect us to overcome the destabilization of our economy in the short term; under these conditions, no one can aspire to have an economic bonanza; we are living decisive moments for the future of our country, and these times demand a spirit of struggle and a willingness to sacrifice.

All working people must adopt these measures as their own; they must fight hard against the speculators, and against corruption, vice, and the errors we inherited from the Somozist past and that at times are present at our places of work and in the attitudes of some workers at every level and position.

All the working people to the Patriotic Military Service; to the Sandinist People's Militia; to the reserve battalions; to maintain, at all times and everywhere, revolutionary surveillance; to the military defense of the revolution, confronting and defeating the foreign aggression. All the working people to pick coffee, cotton, and sugarcane; to produce basic grains; to cattle raising; to factories; to cooperatives; to increase production with greater discipline, with greater efforts, with more work and awareness; to undertake the production tasks of the workers who have been mobilized in the defense; women and the elderly must all prevent these trenches from being left empty. Only by defeating the aggression will we be able to guarantee the possibilities to produce in peace and overcome the crisis.

The National Directorate is aware of the dramatic, decisive, and historical moment we are experiencing in Nicaragua. The National Directorate fully relies on the energies of the people; of these people whose optimism is bulletproof and steadfast; a people who will never sell themselves out or surrender. The National Directorate is certain that the working people of Sandino, Rigoberto, and Carlos, with the solidarity of the peoples of the world and of the U.S. people themselves, will defeat the slander and lies and will ultimately defeat the foreign aggressors with the same arms and spirit with which they defeated the Somozist tyranny and foreign domination.

Our enemies are already being defeated; our enemies will be completely exterminated by the fire of the people; victory already belongs to Nicaragua; we won the right and we will defend the victory with blood, sweat, and with trust in the future of the homeland, because this is a people of heroes and martyrs, because we are Nicaraguans of either a free fatherland or death.

For peace, everyone against aggression!

FSLN National Directorate
Tomas Borge Martinez
Victor Tirado Lopez
Humberto Ortega Saavedra
Henry Ruiz Hernandez
Jaime Wheelock Roman
Bayardo Arce Castano
Carlos Nuzez Tellez
Luis Carrion Cruz
Daniel Ortega Saavedra
Managua, 8 February 1985 [applause]

RAMIREZ MERCADO ON TALKS WITH EUROPEAN LEADERS

Terms Gonzalez Meeting 'Positive'

PA090115 Managua Radio Sandino Network in Spanish 1200 GMT 8 Feb 85

[Telephone interview with Vice President Sergio Ramirez Mercado, from London by unidentified reporter -- live]

[Excerpts] [Ramirez] As you know, we traveled to Spain and met with Spanish Prime Minister Felipe Gonzalez. We held a very broad and positive dialogue that lasted more than 1 hour; we discussed the Central American situation, the aggression against Nicaragua, peace efforts, and the efforts that Spain could continue making to aid the Contadora Group efforts; we also discussed U.S. withdrawal from the Manzanillo talks and the violation of international law committed by that country when it withdrew from the international court of The Hague. This shows a lack of willingness on the part of the U.S. Government toward reaching a secure and effective peace in the region and in Nicaragua.

We noticed that Prime Minister Gonzalez is willing to contribute to the peace efforts and to keep in touch with us to ensure cooperation. After the meeting, former Venezuelan President Carlos Andres Perez discussed the same topics with us; we also found him to be positively disposed to help achieve our objectives.

[Reporter] What can you tell our people about your first 2 work days in London, England?

[Ramirez] We have had a very tight schedule. However, the warm welcome has been quite inspiring. We met with Sir Geoffrey Howe, British secretary of state for foreign and Commonwealth affairs, and I would say this was a positive meeting due to the exchange of ideas and the fact that our viewpoints were well-received; also because this is the first time that we have been able to voice them to the British Government.

[Reporter] Finally, Dr Ramirez, as for your meeting with Prime Minister Margaret Thatcher, we would like to know what will be the points outlined by our country to move her to help us with the United States.

[Ramirez interrupts] We will explain our views at length. We now have the strength of reason on our side. On our side is the fact that we are asking for a resumption of dialogue with the United States; they broke off that dialogue. On our side is the fact that we want to ensure peace in Central America. These are strong arguments, especially to European governments that have always advocated negotiation.

We must not forget that although Great Britain is a strong ally, Mrs Thatcher nevertheless denounced the mining of Nicaraguan harbors before the Parliament. This is a positive factor for us going into our first meeting with her this morning.

[Reporter] Dr Ramirez, Mercado, thank you for your statements for the people via Radio Sandino of Managua, Nicaragua.

Calls Thatcher Meeting 'Valuable'

PA100209 Managua Radio Sandino in Spanish 1830 GMT 9 Feb 85

[Interview with Vice President Dr Sergio Ramirez Mercado by Marta Alicia, Radio Sandino correspondent in London; date not given -- recorded]

[Text] [Ramirez] Since we've been here, it has been readily apparent to us that we are in a zone which is clearly under the influence of the United States. Great Britain is the United States' most firm ally in Western Europe and shares all its political positions regarding all regions of the world, including Central America. Therefore, this rapprochement with the British Government is of value by mere virtue of the fact it has occurred. We must understand that my interview with Mrs Thatcher this morning is valuable simply because it took place. The U.S. Government would have preferred that such a meeting never take place. What would be the Reagan administration's preference? The Reagan administration would have preferred that Downing Street, in other words, Great Britain's government house, issue a communique saying that Mrs Thatcher refused to receive me because I do not represent a legitimate government. Quite the contrary happened. We held a meeting which lasted over 1 hour; and it was quite frank and cordial. She repeated the arguments that the Reagan administration usually repeats about Nicaragua: rash arms buildup; shipment of weapons to El Salvador; and that we are a satellite of the Soviet Union.

I explained that Nicaragua is a nation struggling for its autonomy and independence, that we have weapons to defend ourselves and will continue to have them as long as necessary, and that we will put down our weapons when the war is over. We will not need the weapons any more if the conditions are met for security in Central America. We advocate a general dsiarmament in Central America, the reduction of weapons, the reduction of forces, and the withdrawal of military advisers from Central America. This was the topic discussed during the conversation, and the British Government has stated such in an official communique. I do not feel discouraged by the tone of the communique. I feel quite the contrary. I repeat, the Reagan administration would have preferred that this meeting never take place. Now I think the British Government is explaining to the United States why this meeting took place precisely because it is a great ally. However, this represented a great opening; the mere fact that we met represents a great opening, and the fact that Mrs Thatcher and I discussed this in a frank way... [rephrases] We hope that this will not be the last meeting between us.

[Marta Alicia] Could you tell the Nicaraguan people what are the contents of the communique issued by Downing Street?

[Ramirez] The communique states that Mrs Thatcher told me that Great Britain is against the rash arms buildup in Nicaragua and the shipment of weapons to other countries to encourage revolutions, and that future relations between Nicaragua and Great Britain will be in accordance with the quality of democratic development in Nicaragua. I think that this is more of a message for Mr Reagan than for us.

[Marta Alicia] Dr Ramirez, when you arrived here in London, you said that the Nicaraguan Government's goal was for the British Government to urge the United States to return to the Manzanillo talks. What is Mrs Thatcher's view about this...

[Ramirez interrupts] She will have to admit that our position is quite reasonable because the United States must return to the negotiating table. No U.S. ally, no matter how close or firm it is, would urge the United States not to discuss things, talks things over, or participate in a dialogue. Therefore, this position will have an effect on the British Government's decision; we are quite sure about that.

[Martia Alicia] Your visit in London is nearly over. How do you evaluate your activities here?

[Ramirez] We made an evaluation last night. We worked very hard today, as you have ascertained. I am almost dragging my tongue while talking with you, after participating in 14 or 15 meetings today. We started by meeting with Mrs Thatcher. Then we met with the archbishop of Canterbury, who is the highest religious leader of the Anglican Church in Great Britain. He received us at the Episcopal Palace. He is, one might say, the English people's pope. It was a very cordial, positive, and comprehensive meeting. We received the diplomatic corps accredited in Great Britain for a meeting at noon. We also had the opportunity to exchange views with the ambassadors of Latin America, the socialist countries, and Eastern Europe. Almost every ambassador accredited to Great Britain from countries which also have relations with Nicaragua was there.

[Marta Alicia] One last question, Doctor: In addition to your activities here as vice president of Nicaragua, the fact that you write novels has also created some interest. How do you evaluate this interest? What did the British media publish about this?

[Ramirez] I have seen an English translation of my novel in the London bookshop windows. I think that the editors are taking advantage of my trip here, to some extent, to sell the book. Anyway, this is something positive because the leaders of the revolution are also known as writers, even though the enemy wants to depict us only as bloodthirsty fiends. Consequently, I think this is a positive thing. We will dedicate tomorrow to meetings with British editors and writers who are interested in meeting with us. Consequently, we will work all day.

LETTERS TO COSTA RICA PROTEST ARDE ACTIVITIES

D'Escoto on 'Positive Attitude'

PA081757 Managua Radio Noticias in Spanish 1200 GMT 8 Feb 85

[Letter sent by Foreign Minister Miguel D'Escoto to Costa Rican Foreign Minister Carlos Jose Gutierrez; date and place not given]

[Text] Your Excellency, Mr Carlos Jose Gutierrez, minister of foreign affairs, Costa Rica:

Mr Minister, I have the honor to address Your Excellency to comment on illegal activities being carried out by the armed mercenary group known as the Democratic Revolutionary Alliance, ARDE, and other terrorist organizations from Costa Rican territory against Nicaragua, in flagrant violation of asylum commitments made by the Costa Rican Government and other obligations specified by international law.

The Nicaraguan Government has received with satisfaction reports that the Costa Rican Government is studying measures to punish leaders of the mercenary ARDE who participated in a press conference on 11 January in open violation of the right of asylum and international law. My government denounced this in a note dated 7 February.

The Nicaraguan Government believes that this attitude on the part of the enlightened Costa Rican Government is a positive one, especially if it constitutes the beginning of a number of measures to comply with the law and maintain the full validity of Costa Rica's neutrality proclamation within the illegal war that the United States is waging against our people.

To cooperate with the enlightened Costa Rican Government in complying effectively with its international commitments, I enclose with this note a list of the camps, operations centers, and names and addresses of mercenary terrorists belonging to counterrevolutionary military organizations operating in Costa Rica, to facilitate the dismantling of their support structures and the capture, disarming, and expulsion of these groups from the border areas and their permanent expulsion from Costa Rica.

The Nicaraguan Government wishes to voice its confidence that the enlightened Costa Rican Government will effectively and promptly implement measures in keeping with international law for the sake of the relations of friendship and cooperation that must exist between the two states and for the benefit of the Contadora [illegible] effort.

The Nicaraguan Government also believes that any actions by Costa Rica to effectively prevent the use of its territory by terrorist military organizations at the service of the U.S. Government will show a responsible and mature attitude that will strengthen dialogue and negotiation, as specified by international law, for the solution of problems in the area. This would reaffirm the common desire for peace of the Costa Rican and Nicaraguan peoples.

I take this opportunity to reiterate to Your Excellency my appreciation and consideration.

[Signed] Miguel D'Escoto Brockmann, foreign minister

Nicaraguan Note Sent

PA180131 Managua Domestic Service in Spanish 0031 GMT 18 Feb 85

[Text] Managua, 18 Feb--The Nicaraguan Government has sent a note to Costa Rican Foreign Minister Carlos José Gutiérrez in which it requests that Costa Rica take measures against the mercenaries who participated in a press conference in Costa Rica on 11 January.

In this note, Foreign Minister Miguel D'Escoto Brockmann, in reference to the statements made during the press conference by Edén Pastora, a leader of the mercenary terrorist organization ARDE, said a press conference in San José, sponsored by the Costa Rican Government, is a deliberate affront to international law and to Costa Rica's neutrality proclamation, and that terrorist organizations set up by the U.S. Government in its illegal war against Nicaragua.

In accordance with available public information, two ARDE mercenaries were traveling aboard the helicopter. One of them, identified as Jose Maria Quintero Clezar, died when the helicopter crashed. Mercenary Omar San Jarquin was injured and was rescued by Costa Rican authorities and hospitalized in Quesada. These actions once again show that the mercenary military organizations at the service of the U.S. Government openly use Costa Rican territory for illicit activities; this casts doubts on the Costa Rican proclamation of neutrality and affects basic principles of international law, especially those that force states not to permit actions on their territories that harm the sovereignty and independence of other states.

EMBASSY IN WASHINGTON ISSUES COMMUNIQUE

PA0202153 Managua International Service in Spanish 0000 GMT 2 Feb 85

[Text] Nicaragua has exhorted the U.S. Government to act with sincerity, honesty, and truthfulness so that dialogue and negotiations can be productive and avert a regional conflict in Central America. In a communique issued by the Nicaraguan Embassy in Washington following President Ronald Reagan's request to Congress yesterday to continue financing the mercenaries, Nicaragua asked the U.S. Administration to help create the conditions for a peaceful solution to the conflict on the basis of mutual respect. In the document, Nicaragua affirmed that the only terrorism in that country is that of the criminal actions of the counterrevolutionary bands, sponsored by the CIA, who murder innocent civilians, including women and children.

COMMUNIQUE CONFIRMS RIVERA AS NICARAGUAN LEADER

PA0202003 Managua International Service in Spanish 0000 GMT 30 Jan 85

[Text] San Jose -- The confirmation of Eraclio Rivera as the sole leader of the Indian Miskito, Sumu, and Rama Sandinist Unity [Misurasata] groups, and the suspension of three of its members for usurping the representation of the movement has been made public via a communique issued in the Costa Rican capital. The document denounces the criminal plans of the counterrevolutionary ARDE and the Nicaraguan Democratic Force [FDN] to attribute Misurasata leaders the beginning negotiations with the revolutionary government to seek a peaceful solution to the Indian problem in the Atlantic region of Nicaragua. The note, signed by Eraclio Rivera, points that the expelled members are instruments of ARDE and FDN mercenary interests who directly hurt the Miskito cause.

CASTRO ON WILLINGNESS TO SETTLE OPPOSITION ISSUES

PA0202211 Clandestine Voice of Unidad in Spanish to Nicaragua 2130 GMT 2 Feb 85

[Text] Commander Jose Dariel Castro said that he is willing to talk with other groups opposing the struggle to join forces in order to confront the leaders of that regime militarily [words indistinct] in a peacemaking dialogue. The purpose of that unity should be to support the armed struggle in Nicaragua. ARDE has insisted that the only basis for negotiations should be the withdrawal of Sandinist forces from the entire country, leaving the people, factories, and liberty to Nicaraguans so the Commander pledged to building a free democracy. But who is to work a peaceful and dignified solution among all means available from arming, and weapons, to negotiations? We reiterate that we are not against unification and that we are the most vivid expression of unity. We will not accept Managua when it is overthrown by our forces. [Castro] [words indistinct] they must accept the government and the way it gains the commander will either lead to the country or ruin, Commander Castro concluded.

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'WORLD EVENTS' COMMENTS ON REAGAN'S 1986 BUDGET

PA1002153 Havana International Service in Spanish 0000 GMT 9 Feb 85

["World Events" commentary]

[Text] The general budget for fiscal year 1986 that U.S. President Ronald Reagan is submitting to the U.S. Congress is in the amount of $973.7 billion, a third of which is for military expenditures. Described by the head of state as a document of peace and prosperity, the budget includes an investment of $313.7 billion [figures as heard] in military spending, which represents a record 8-percent increase over the current budget that, up to now, had been the biggest in the history of the United States.

In contrast to this increase of intended funds for the military budget, President Reagan is proposing a freeze on almost all other expenditures and even proposing a reduction in some welfare programs. Education is among the sectors most affected by this reduction. Student loans and school lunch programs have been reduced. Several municipal services offered to the citizens, like the services of firemen, hospitals, and schools, will be reduced. Taxes used to subsidize agricultural and industrial products will also be reduced.

Reaffirming the warmongering nature that has always distinguished him, the chief of the Pentagon, Caspar Weinberger, defended the increase in the 1986 military budget before the Senate's Armed Services Committee. Weinberger said that this budget allows the United States to increase its military strength and at the same time promotes the risk-reduction measures that arose [word] agreements. The U.S. secretary of defense added that the increase in the United States' military capacity is the only way to achieve a safer world by means of a peace based on force.

In statements to a U.S. television network, and always insisting on the same arguments, Weinberger said that he is convinced that the space strategic defense system, the so-called star wars, is absolutely essential for the security of the United States. He said that the success of the upcoming talks with the USSR on disarmament is closely related to the U.S. congress' approval of the projects of the MX missile.

The military budget that the head of the Pentagon is defending includes the purchase of 40 nuclear missiles worth $4[illegible] billion and a higher number of B1 strategic bombers at a cost of $6.2 billion, and many other weapons for the U.S. Army, Air Force, and Navy.

This plan to increase the arms building to what Reagan has described as a peace and prosperity program when the left is cut there would be nothing more than increase [illegible] misery and make the dangers of war more feasible.

Meanwhile, the prospects for U.S. President Ronald Reagan to get the military-industrial centers and their beneficiaries that will also reap profits with the passage of this new wave of aggression.

For the majority of the American people, this budget increase in the U.S. budgets unfortunately promises conflicts, situations, times [illegible] of illness, hunger, misery, and unemployment. This reality is what the United States' citizens will finally learn to see behind the words of President Reagan's government until finally the citizens of the United States who are economically well off, can observe clearly the dangers of the policies that have been [illegible].

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HAVANA CITES U.S. 'DOUBLE-TALK' AT GENEVA DIALOGUE

FL1902048 Havana Domestic Service in Spanish 1522 GMT 9 Feb 85

[Text] Intrigue, double-talk, and a lack of seriousness by the United States on the new Soviet-U.S. talks in Geneva continues to place in suspense what has been achieved up to now.

Nevertheless, what is most dramatic is that the United States is endangering a dialogue upon which all humanity has focused its attention.

Evidence of the U.S. Administration's real lack of interest in the disarmament talks, scheduled for 12 March in Geneva, was readily apparent in the United States after the January meeting between Andrey Gromyko and George Shultz.

A PRAVDA editorial says that relations between the United States and the USSR should be based on faithfulness to international agreements and it condemns the increasing anti-Soviet campaign in Washington.

VIRGILIO FERNANDEZ CLOSES P--[illegible] SEMINAR

FL1902205 Havana Domestic Service in Spanish 1305 GMT 9 Feb 85

[Text] The major achievements in education are brought about by having quality in work, and as Commander in Chief Fidel Castro has stated, we must work efficiently in this first place, said Juan Fernandez, Central Committee member and minister of education, in closing the Marxist-Leninist seminar for directors, assistant directors, and inspectors of provincial and municipal education directorates.

VIRGINIA'S RACE RIOTERS ARRIVED [illegible]

FL0902221 Havana International Service in Spanish 1600 GMT 7 Feb 85

[Text] Norfolk, Va., mayor at the first of the district's Task 12 [illegible] Virginia, [illegible] forward tobacco and request the permission from Western governments [illegible] the aid and rehabilitation program for the victims of the drought in this country [illegible] to the horn of Africa. The campaign is aimed at interfering with the government's efforts to its to grow products [illegible] the natural calamity, hunger, which is ravaging [illegible] the Sahel [illegible] countries, [illegible].

He said that the Western countries' propaganda is trying to make the world believe that the victims of the drought are not suffering the fact that the people of the world are knowing. Bush said that natural disasters are unfortunately an element [illegible] Africa [illegible], Africa suffers in the most severe regions of Ethiopia.

Bushes have confirmed Mengistu Haile Mariam, of the Provisional Military Administrative Council, [illegible] to the efforts that Ethiopia's [illegible] are making to take advantage of the problems that the drought has caused to supply aid to the malnourished and to encourage the activities of the [illegible] parties.

LABOR, POLITICAL LEADERS ARRESTED TO PREVENT STRIKE

PA1102147 Hamburg DPA in Spanish 2320 GMT 9 Feb 85

[Text] Santo Domingo, 9 Feb (DPA) -- Dominican security forces today arrested an unknown number of political and union leaders as part of the measures adopted by President Salvador Jorge Blanco's government to prevent the general strike announced for Monday. According to press reports released this afternoon in the Dominican capital, searches and arrests were carried out in Santo Domingo and other cities of the country.

The security forces also discreetly surrounded the home of 75-year-old Juan Bosch, former Dominican president and leader of the Dominican Liberation Party [PLD], who last night blamed President Jorge Blanco for the wave of strikes that is hitting the country.

There has been no official report on the number of persons arrested, but press reports mentioned the arrest and subsequent release of Euclides Gutierrez Felix, press secretary for the PLD. Also arrested and subsequently released was Nelsida Marmolejos, secretary general of the General Workers' Central of the Independent Left. The two leaders were arrested for several hours and released from the Government Palace on the orders of General Ramiro Matos, chief of the National Police.

The same sources reported on the appearance of some self-styled "committees for the defense of the tranquility of the neighborhood" believed to be formed by members of the Dominican Revolutionary Party, the party in government, which has threatened to confront the promoters of the strike, the "popular struggle committees."

Meanwhile, the residents of the capital city crowded into stores and markets to purchase food in preparation for any disturbances that may occur.

The strikes have been supported by 50 political and union organizations that are demanding a decrease in the price of staples and a break in the negotiations with the IMF.

DETAINEES ASSIN HUNGER STRIKE, DEMAND RELEASE

PA2702021 Paris AFP in Spanish 1503 GMT 9 Feb 85

[Text] Santo Domingo, 9 Feb (AFP) -- Reliable sources reported here today that some 50 political leaders who have been held in custody for several days have declared a hunger strike to demand their release. The strikers are demanding that they be released because the 48 hours decreed by the Commission for Kidnaping them ever to a court has expired and they are still being held at police installations. The leaders, most of whom are from the ranks of the Dominican left, were arrested early this week in alleged organizers of the strikes against the government's economic policy.

U.S. CITIZEN FOREIGN DEBT PAYMENT DUE TO IMF

PA2402200 Moscow Radio Moscow in English 1130 GMT 9 Feb 85

[Text] The governor of the Dominican Republic's Central Bank says the country will have to pay $1.5 billion in capital and interest payments this year if it does not succeed in renegotiating its foreign debt.

JAMAICA

REMAINING 250 SOLDIERS TO LEAVE GRENADA IN JUNE

FL0819Z4 Bridgetown CANA in English 1751 GMT 8 Feb 85

[Text] Kingston, Jamaica, Feb 8, CANA -- Jamaica will complete the withdrawal of its troops from Grenada by the end of June, according to Prime Minister Edward Seaga. Jamaica had kept 300 soldiers in Grenada following its participation in the U.S.-led invasion of the island in October 1983, but halved this last December following a general election there.

The official JAMPRESS news agency quoted Seaga as saying that it is anticipated that by the end of June the Grenadian police force will have completed its initial training and, therefore, will be in a position to take over the maintenance of law and order in the country. Military officials here had initially hoped for a withdrawal by March.

The United States yesterday announced that it would begin a phased withdrawal of the remaining 250 troops in April.

ALCOA MINERALS SUSPENDS MINING OPERATIONS

FL0716Z2 Kingston Domestic Service in English 0300 GMT 7 Feb 85

[Text] It is projected that with the closure of Alcoa Minerals of Jamaica the country will lose over $38 million U.S. dollars in the financial year which begins in April. The minister of mining and energy, Hugh Hart, in whose portfolio Jamalco falls, said in a statement yesterday evening that the government's domestic budget will also be seriously affected and $115 million Jamaican dollars in projected revenue would be lost.

Alcoa, with its payroll of 900 workers, is to halt production in 2 weeks. Eight hundred workers will be laid off on July 1 while the other 100 will be employed (temporarily) in the plant.

The release from Alcoa yesterday evening says the stoppage is temporary and will end when world market conditions justify resumption of production. The release also states that the company invested $15 million U.S. dollars and increased capacity and efficiency of the plant, thus demonstrating their commitment to Jamaican development. Alcoa's executive vice president and Managing Director, Jerry Dubin, says the company deeply regrets the personal hardships which this matter will cause its employees.

According to Mr Hart, the livelihood of another 5,000 persons will be directly affected by the closure of Alcoa. In an effort to mitigate the hardships which will result from the closure, the government requests that Alcoa implement certain proposals, and that the company has agreed to. The proposals include a special land that is to be made liabel to assist the workers with payments in Jrevitch's school fees, expedite issuing of land to local residents at modest cost, and the examination of the possibility of converting the plant from oil to coal.

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VENEZUELAN FOREIGN MINISTER VISITS FOR TALKS

Meets With Jackson

PA2501047 Caracas Radio Nacional de Venezuela in Spanish 2100 GMT 1 Feb 85

[Text] In Georgetown, Guyana and Venezuela have begun an effort at rapprochement aimed at increasing trade. The representatives of the two countries studied possible trade, agrarian, education, and cultural cooperation. A Venezuelan delegation headed by Foreign Minister Isaias Baptista Paul arrived in the Guyanese capital yesterday. Upon arrival, the Venezuelan foreign minister said that our country wished to establish stable, fruitful, and mature relations based on peace and development. In reply, his Guyanese colleague Rashleigh Jackson said that the Fifth Burnham administration hopes to establish friendly relations with its neighbor. The border problem was not discussed during this initial Guyana-Venezuela meeting.

Visits Training Camp

PA0702165 Bridgetown CANA in English 1837 GMT 7 Feb 85

[Text] Georgetown, Guyana, Feb 7, CANA -- The sale of bauxite to Venezuela was among the matters discussed today between senior officials of Venezuela and Guyana, official sources said. The discussions took part of the official visit of Foreign Minister Isaias Baptista Paul, who today visited his Guyanese counterpart Rashleigh Jackson, and visited a training center in Bartica, capital 87 miles east of here. The camp, called Kimbia, is operated by the Guyana National Service (GNS) and provides military training and techniques as well as physical and cultural activities, and agricultural production especially in the areas of yuca and cotton production.

Baptista Paul and Jackson were scheduled to begin in Georgetown late this afternoon to resume their talks which will cover a wide range of matters including trade, health, agriculture, fishing, education, science and technology. The two countries are also examining the possibilities of collaboration in the exploitation of the disputed Antilla Sleeves.

NEW POLICE COMMISSIONER NAMED, TAKES OVATH

PA2071930 Bridgetown CANA in English 1830 GMT 7 Feb 85

[Text] Georgetown, Guyana, Feb 7, CANA -- Mervyn Raphaelli, a Trinidad national, was today named Guyana's commissioner of police succeeding Lloyd Mathews, who is to go into retirement later. Raphaelli, who is the first Commonwealth citizen to head the police force, took the oath on June 13, 1984. He was appointed deputy commissioner eight months ago.

In a statement the new commissioner said, I intend to place great emphasis on the prevention and detection of crime, the preservation of law and order, the promotion of the peace, the suppression of internal disturbances, the maintenance of security, the apprehension of offenders and the enforcement of all laws and regulations. He also said special police operations would be launched to deal with unlawful arms and robbers, and crowd control. There will be active consultation with the customs and excise department, the police force and the ministry of home and trade to combat the illicit smuggling, concealment, possession and dealings relating thereto and brought to justice, he said.

PARAGUAY

GEN GUZMAN FRICKE REPORTEDLY RETURNS TO BOLIVIA

PY0711510 Madrid EFE in Spanish 1347 GMT 7 Feb 85

[Text] Asuncion, 7 Feb (EFE) -- According to Paraguayan sources, Bolivian Air Force General Ernesto Guzman Fricke, retired, has given up his asylum in Paraguay and returned to his country. Guzman Fricke sought asylum in Paraguay at the end of January 1985 because he claimed that he was being persecuted by security forces of the Bolivian government as a result of a proclamation he had published in La Paz urging the Armed Forces to stage an uprising against the administration of President Hernan Siles Zuazo. Sources close to the Paraguayan government told EFE today that Guzman Fricke returned to Bolivia, while the Bolivian Embassy said that it lacked information about the situation of the Bolivian officer, who had lived in a hotel in a residential neighborhood during his stay in Asuncion. The retired Bolivian general's presence went practically unnoticed in Asuncion and he was not mentioned in the press. Some government circles have reported to EFE that Guzman Fricke has not had any contacts with official Paraguayan organizations.

PERU

GOV VOICES COMMENTS ON CURT SPECULATION

PY0911500 Lima Radiodifusion Panamericana Television in Spanish 0115 GMT 8 Feb 85

[Excerpt] The new minister today asserted that the Armed Forces will fully guarantee the Peruvian democratic process. At the same time, the minister rejected speculations about the possibility of a coup d'etat. When commenting on statements made by Deputy Enrique Chirinos Soto, the minister said that there is no reason whatsoever to justify any action against the government.

VENEZUELA

TEXT OF LIGHT, EXTRA LIGHT CRUDES REPORT

PA0811300 Hamburg DPA in Spanish 1342 GMT 7 Feb 85

[Text] Caracas, 7 Feb (DPA) -- Venezuela has reduced the price of its light and extra light crudes by an average of $1.71 per barrel, Arturo Hernandez Grisanti, energy and mines minister, announced today in Caracas. Venezuela is thus complying with the recent agreements OPEC reached on 28 January in Geneva, Switzerland. "This price reduction affects only 10 percent, 139,000 barrels daily, of the total exported which in 1985 is supposed to be 1.5 million barrels daily," Minister Hernandez Grisanti said.

Venezuela is implementing the new price scale approved by OPEC, which establishes a maximum differential of $3.50 per barrel for the heavy crudes from the Middle East and extra light from Africa. Hernandez Grisanti said that this decision will have a slight effect on the average price of Venezuela's exports, "which under no circumstances will be more than $28.50 per barrel and probably will be less than that." Regarding the heavy and extra heavy crudes, the price remains unchanged, $24.50 per barrel. "But we will be watching the market's behavior," he relates to possibilities for exports. Hernandez Grisanti said that "prices will be modified according to the market behavior, or in case, oriented depends on changes of season."

Regarding Mexico's decision to decrease its production by 100,000 barrels a day, Hernandez Grisanti said. "We respect the decision made by a friendly country." "We hope that the Mexican Government and those handling the country's oil policy will act prudently," Hernandez Grisanti said.